

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	35125	34750	-1.1%	Pmx 1 month forward	31800	32000	0.6%
Cape Q4 21	34000	33750	-0.7%	Pmx Q4 21	26750	27250	1.9%
Cape Cal 22	22850	22844	0.0%	Pmx Cal 22	17675	17550	-0.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	32900	32850	-0.2%	Brent	68.62	69.15	0.8%
Smx Q4 21	26550	27350	3.0%	WTI	66.42	66.95	0.8%
Smx Cal 22	17250	17300	0.3%	Iron ore	213.95	213.52	-0.2%

Data Source FIS and Bloomberg

## Iron Ore

Limited price action today with the August futures trading between USD 210.85 and USD 214.55 the August closing around the USD 213.00 level for the evening session. The previous 3 closes have been within USD 1.00 of this level, indicating the market momentum is slowing down as price consolidates. Mixed market news from the miners as Vale shipment figures narrowly missed their forecast whilst BHP has signaled it could further boost output next year. RIO Tinto has warned of a struggle to meet demand and flagged its full year shipments could be at the lower end of its forecast (Bloomberg). Longer-term wave analysis has always been bull, but it is a psychological footprint of the market, the intervention of the Chinese Government means this is no longer a reliable indicator. Higher highs are needed for bull signals and lower lows for bears at this point, USD 217.80 is the key resistance that needs to be broken, intraday highs below this level should be only considered as noise.

## Copper

Copper is up today with price recovering some of yesterday losses. The futures remain in range with the futures still below the USD 9,376 level, leaving the technical vulnerable. The USD basket is up with it which would suggest that copper could have some genuine bull support in the market. Ultimately, we remain in range, however if you look at this via a close only line graph it does signal a range breakout to the downside. A bit old school but something to be aware of if the USD basket keeps pushing. Neutral bearish and still vulnerable below USD 9,376.

## Capesize

An underwhelming index today created a sell off from the USD 35,750 high in the August futures. However, it is a holiday in Singapore meaning volumes have been light whilst the technical is conflicting. Back tomorrow with hopefully a directional bias from the physical, if we remain quite the futures could slip as they are trading at a premium to the index. The August contract is on every EMA between 30 and 60 on the 4-hour chart (all of which are flat), indicating the market has found value, if we are to trend, we need to see the USD 36,750—USD 38,125 levels being tested in the next few days. We close at USD 34,750 with tomorrow's pivot at USD 35,000, market bulls are going to want to see price above this level on the open to give the futures some momentum support.

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## Panamax

Early gains failed to hold on the August futures on the back of the Index coming in USD 211 lower, at USD 31,064. It is hard to work out if this is genuine selling pressure or just apathy to the Singapore holiday. The RSI is back above 50 suggesting we have momentum support; however, we need to see the index close above the USD 32,092 level for momentum to be increasing based on price. If it does the futures will catch a bid, at this point price is holding around tomorrow's pivot point (close USD 32,000, Pivot USD 32,150), meaning the futures will be in balance on the open. The market should be busier tomorrow which will hopefully give us a better idea of its intentions.

## Supramax

The index is up USD 96 to USD 30,613 but needs to close above the USD 30,776 for it to be considered as bullish based on price. With the market out the futures have not moved, the August contract remains below the previous bull trend. The RSI is above 50 but again we need the physical back tomorrow to see if this is going to run to the upside.

## Oil

A big volume day yesterday on the futures with open interest continuing to drop, suggesting the last of the market longs have exited. Open interest has not been this low for around 2 years and signals that the market is uncertain about the next directional move. If we continue to move lower and the AOI builds, then we could be seeing cycle completion and a genuine bear move; however, if we move higher on rising volume and open interest it could signal there is another wave to be ridden. The market has consolidated today, the pullback is deep meaning the technical is neutral. Demand outlook remains shaky on the back of the COVID pandemic, creating the uncertainty for now, suggesting it might be easier to sit on the side and wait for the market to show its hand before getting involved.

Have a nice Evening.

Ed Hutton