

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	38000	35125	-7.6%	Pmx 1 month forward	32750	30750	-6.1%
Cape Q4 21	36750	35500	-3.4%	Pmx Q4 21	29250	28000	-4.3%
Cape Cal 22	23825	23625	-0.8%	Pmx Cal 22	18600	18125	-2.6%

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Smx 1 month forward	34000	32450	-4.6%	Brent	74.1	74.37	0.4%
Smx Q4 21	29350	28125	-4.2%	WTI	72.07	71.99	-0.1%
Smx Cal 22	18025	17825	-1.1%	Iron ore	197.33	199.09	0.9%

Data Source FIS and Bloomberg

Iron Ore

As noted last Friday the futures had seen strong buying volume between the USD 198.00 —USD 195.00 area, suggesting we could look to test the USD 202.05 level in the near-term with market scalpers looking to take a quick profit. Price is now around the USD 200.20 level suggesting the resistance level could be tested tomorrow. If the resistance level holds, we could see a fresh wave of market sellers come into the market; however, we should highlight that steel margins are starting to move higher again which would support bullish price action. This would mean market longs looking to sell might try and test the buyer's appetite overnight, take a step back a little to see if they will pay up to USD 204.00 or even USD 208.00. The intraday technical would suggest we should see some profit taking tomorrow. However, those looking at the bigger picture will see a neutral RSI and oversold stochastic, this would suggest momentum could be about to push price higher. Based on the intraday and daily technical, I would expect a downside test overnight, followed by buying support into the close.

Copper

Floods in China, falling inventories and a weaker USD have pushed the futures higher today (Bloomberg). A late surge on Friday took price above the range resistance, warning we could be about to witness a bullish breakout, which this has been the case. Price is now above the USD 9,686 fractal resistance, meaning the intraday technical is considered as bullish. We now target the USD 10,120, above this level the daily technical is considered as bullish meaning we target the USD 10,365, USD 10,525 levels.

Capesize

The index created a new high on Friday indicating it had entered back into bullish territory, however, a slowdown today (up USD 286 to USD 32,755) meant the futures came under pressure. Price opened unchanged but Asian sellers on the E.U. soon offered the August at USD 38,000 which set the tone for the day. We now have a bearish engulfing candle pattern on the daily chart suggesting we should see further downside tomorrow. Tomorrows pivot point will be at USD 36,166 with the paper closing USD 1,000 below this level, suggesting there is going to have to be a strong turn in overnight sentiment for paper to open above this level. Market bulls could get active around the USD 33,455 level, as below there the sellers will be back in control and target the USD 31,050 fractal support.

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Panamax

The index continues to move lower and is now pricing at USD 30,283 (USD 137 lower). The August futures had been holding on the slowing index, but the downside move in the Capes has forced a rebalance in the Panamax, resulting in the futures moving USD 2,000 lower to close at USD 30,750. The futures are now pricing USD 487 above the index suggesting we could see a momentum slowdown soon, providing the index continues to correct at a sedate pace. Tomorrow's pivot point is at USD 31,291, so we could possibly see more selling pressure on the open as price is also below the short period averages. However, the RSI has closed the day at 49.3 with the 60 period EMA at USD 29,681, suggesting we could see some buying support at slightly lower levels. Price remains bearish but could potentially start to base tomorrow as it's pricing in line with the index.

Supramax

The futures have come under pressure today, but the index is still moving higher in bull territory. For more information on the technical, please follow the link. Supramax Technical 26/07/21 <https://fisapp.com/wp-content/uploads/2021/07/FIS-4-PAGE-SUPRAMAX-REPORT-26-07-21.pdf>

Oil

The futures caught a bid into the U.S. close on Friday before seeing an overnight sell off in Asian hours. Price continues to remain supported even though there are concerns over the Delta variant and rising infections. This upside move does not have volume support which remains low, Murphy had this as a bearish signal in his bible and I must agree, there is a lack of conviction in this upside moves. Something needs to change for this to convince, if we are not supported by an event soon, we could see technical sellers enter the market to test the buyers resolve. Price is holding on the intraday but not one for me at this point.

Have a nice evening.

Ed Hutton