FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COAL

FIS European Close

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	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Cape 1 month forward	39125	40025	2.3%	Pmx 1 month forward	32950	33900	2.9%
Cape Q4 21	35675	36025	1.0%	Pmx Q4 21	29600	29925	1.1%
Cape Cal 22	23400	23575	0.7%	Pmx Cal 22	18675	19000	1.7%

	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Smx 1 month forward	34400	35000	1.7%	Brent	72.28	70.5	-2.5%
Smx Q4 21	29200	29925	2.5%	WTI	70.23	68.26	-2.8%
Smx Cal 22	18025	18300	1.5%	Iron ore	179	179.55	0.3%

Data Source FIS and Bloomberg

Iron Ore

There is little to add to the iron ore story from yesterday. Price remains in a bearish trending environment above the 200-period MA and a long—term support zone. The futures have moved USD 2.50 lower in the afternoon/evening session with price trading at USD 176.00 into the close. Margins at mill remain supported at RMB 673 whilst Rebar futures have produced a bullish engulfing candle suggesting market bulls are entering the market on the back of a neutral RSI and oversold stochastic. Iron ore is technically bearish, but not regarded as a technical sell at this point. However, the delta variant in China is a concern, if support level are going to come under pressure it will be from here and not the technical.

Copper

The futures continue to come under pressure on concerns over economic growth on the back of the delta variant. The futures remain corrective with the daily candle making lower lows and lower highs; however, the downside move today has held above the USD 9,418 level (low USD 9,430). If support holds the futures still have the potential for a test to the upside, below this level would neutralize the last bull wave and warn the USD 9,131 support could be tested. Short term momentum indicators are looking oversold, but price is going to have to close above the USD 9,681 level tomorrow to signal that momentum is improving based on price.

Capesize

The futures opened higher with price above the USD 39,400 daily pivot, giving the market bulls confidence in their current positioning. The index has now turned, coming in USD 459 higher, at USD 35,675, indicating that momentum is improving to the buyside again. The daily technical is in bull territory supported by the RSI, EMA's and the Elliott wave cycle. However, this current has now produced six higher consecutive closes which would warn we could consolidate for a day soon. This does not mean we are looking for a corrective phase, more a day for the market to breath. Technically bullish with tomorrows pivot looking like it will be USD 39,908, if we hold above this level into the open and get a good index then market consolidation could be put on hold, as the RSI on the index is at 61.5 and testing our 62-64 resistance, above this level would suggest the market is tight and could run.

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Panamax

A positive index today, momentum is bullish based on price. For more information on the technical please click on the link. Panamax Technical Report 04/08/21 https://fisapp.com/wp-content/uploads/2021/08/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-04-08-21.pdf

Supramax

The futures continue to move at a faster rate than the index, however the Sep futures are slowing down. The index is up USD 158 to USD 32,817, it is bullish but not going anywhere fast, the paper is up 325 and is looking to close the day at USD 34,725, USD 84 above tomorrows pivot point. Price is technically bullish but there is a chance we could see a bit of a rebalance soon, the disparity is comfortable at USD 2,000 but with a trend resistance is front of the Sep (USD 36,619) we could see market longs looking to take a little profit and try and reposition themselves a few hundred bucks lower.

Oil

As noted yesterday, although price was rejecting the downside move and is the lead indicator in the market, momentum suggested the technical was vulnerable to further tests to the downside. The morning technical had flat, shorter-term averages but the longer-term EMA's (30-60) on the 1-hour chart were well spaced. This suggested the intraday trend remained stable, indicating the futures could target the USD 71.05 low from yesterday. Price continues to move lower (currently USD 70.46) implying the USD 67.44 low is now a viable downside target. News on the wire, like the metals markets are highlighting growth/demand fears on the back of the delta variant in China (Bloomberg).

Have a nice Evening

Ed Hutton

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