

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	40025	39825	-0.5%
Cape Q4 21	36025	35600	-1.2%
Cape Cal 22	23575	23200	-1.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	33900	32875	-3.0%
Pmx Q4 21	29925	29375	-1.8%
Pmx Cal 22	19000	18675	-1.7%

	Previous Close	Current Close	% Change
Smx 1 month forward	35000	34875	-0.4%
Smx Q4 21	29925	29975	0.2%
Smx Cal 22	18300	18200	-0.5%

	Previous Close	Current Close	% Change
Brent	70.38	71.38	1.4%
WTI	68.15	69.17	1.5%
Iron ore	178.88	166.73	-6.8%

Data Source FIS and Bloomberg

## Iron Ore

Technically bearish but on support with the market consolidating meant the market was not considered as technical sell. The futures have moves aggressively lower overnight with the Sep contract now trading at USD 166.20. The downside move has been attributed to the Chinese government looking to step up production curbs at mills, as the downstream demand look deteriorates. There are also rising concerns on the macroeconomic front as the authorities battle an outbreak of the delta variant which is in half of the 32 provinces (Bloomberg). The Sep contract is now below the 200-period average and at the base of our support zone (USD 163.60), if support is broken then market bears will target the USD 154.000 level. Upside moves that trade above and hold above the 200 period MA (USD 171.17) would suggest market bulls could be starting to accumulate. Technically bearish, USD 163.60 is a key level, if broken price could trade sub USD 155.00.

## Copper

The downside momentum has slowed down with the futures coming into the EU close USD 34 higher, at USD 9,500. Price did make a lower low in the morning session with the futures trading below the USD 9,418 support, meaning the daily technical is considered as neutral; however, with price basing we need to see a close tomorrow above the USD 9,515 level, as this would indicate momentum is improving based on price. The longer-term EMA's 30-60 remain flat implying there is a lack of trend in the market, we think this is an Elliott wave B at this point, we also think that price is showing signs of basing in the very short term, as fast-moving momentum indicators are turning higher, warning of the potential for a bull day tomorrow to finish the week.

## Capesize

The cape index caught the market a little by surprise today with a move USD 933 higher, to USD 36,608. Paper on the other hand failed to respond, the Sep contract opened bid with price trading to a high of USD 39,650 shortly after the E.U. open; however, market sellers have kept the futures from rising further at this point, indicating we may have found an agreement on value today. Price has closed USD 200 lower on the day at USD 39,825 with the futures supported into the close. The Index RSI is in the middle of our resistance zone at 63, if we go above 64 there is an increased chance the index could run based on previous performance. Finding value and in balance, our wave analysis suggests upside continuation of the trend in the longer-term, however we may see a small sell off tomorrow as the market looks to tidy its book for the weekend. Price is closing lower on the day with tomorrows pivot point at USD 40,033, warning of potential weakness on the open.

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## Panamax

As noted on yesterday's technical report the futures would need to consolidate soon after six consecutive high closes resulting in the Sep contract trading at a USD 5,000 premium. We have seen a bit of a rebalance today with the Sep futures correcting USD 1,025, to USD 32,875 whilst the index came in USD 536 higher at USD 29,422. The disparity is now around USD 3,500 which is more manageable, if we can knock another USD 1,500 of that tomorrow the futures will be well paced for further upside continuation rally. Technically neutral and entering a corrective phase, however the index is showing bullish momentum based on price suggesting corrective, rather than a bear move at this point.

## Supramax

This morning my 11-year-old daughter took one look at the intraday Sep Supramax chart and announced to me that the market is going down. When I asked why she pointed out the futures had failed around here twice before. In a sense my daughter is half right, the technical is bullish and on an Elliott wave 5 that has the potential to trade as high as USD 40,388 based on the Williams method; however, we are around the resistance levels with short end momentum indicators (RSI and ROC) suggesting we could see technical pullback soon. Friday tomorrow, an indecision candle today with price potentially opening below tomorrow's pivot point (Sep close USD 34,875, Pivot USD 34,958). Apathy could be the driver, but she might just be right.

## Oil

The futures are up today having been hit by a market bear yesterday. Volumes are down on the last few sell days but buy-side volume has been respectable, we have seen this previously (20/07/21—21/07/21) where the futures have produced enough volume to push the market higher, but not enough to be considered as bullish. Having sold off USD 6.00 in the last 3.5 days the futures will have seen a volatility expansion, this would suggest price could consolidate/move higher over the next few days. We also have sitting in the background simmering tensions in the Middle east with Iran being accused of a drone attack on an oil tanker. Iran have denied this as they remain in talks regarding nuclear deal that would see sanctions lifted on their oil exports. Cats and mice at play perhaps, only time will tell. If we escalate then the technical will undoubtedly turn bullish

Have a nice Evening

Ed Hutton