

FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 38750 | 36875 | -4.8% | Pmx 1 month forward | 33175 | 31125 | -6.2% |
| Cape Q4 21 | 34625 | 33375 | -3.6% | Pmx Q4 21 | 32125 | 30750 | -4.3% |
| Cape Cal 22 | 23800 | 23550 | -1.1% | Pmx Cal 22 | 20700 | 20175 | -2.5% |

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 36500 | 35000 | -4.1% | Brent | 72.61 | 72.18 | -0.6% |
| Smx Q4 21 | 34850 | 33800 | -3.0% | WTI | #N/A N/A | 68.89 | #VALUE! |
| Smx Cal 22 | 20850 | 20250 | -2.9% | Iron ore | 145.07 | 134.19 | -7.5% |

Data Source FIS and Bloomberg

Iron Ore

Technically bearish the futures had put in a positive performance on Friday and looking like we had the potential for a counter-trend move. However, restrictions issued in the city of Handan resulted in sellers reentering the market. Our near-term target had been the USD 128.45 level, although not achieved the October contract did trade to a low of USD 129.35. For more information on the technical please follow the link. Iron Ore Offshore 06/09/21 (October targeting USD 110?) <https://fisapp.com/wp-content/uploads/2021/09/FIS-Technical-Iron-Ore-06-09-21.pdf>

Copper

USD 9,526—USD 9,275, this is the range that formed on the 01/09/21, we now have 3 inside days within this range indicating the market is consolidating. A breakout from the range will in theory give a directional bias to the market, at this point the technical side of the market is considered as neutral.

Capesize

The index and the futures both came under pressure today after a Coup in Guinea brought into question the Bauxite trade, which they shipped 82.4 million tons of last year (Bloomberg) the Cape (freight) complex came under pressure from the open with the October contract closing USD 2,125 lower at USD 36,875. the longer-term bull trend is now looking neutral as the pull-back is considered as deep into the last bull wave that started on 27/07/21. Reassurances from the new military rule that they will honor all existing mining agreements did lift the futures off their lows but did not achieve any real upside follow through. The October contract finished the day USD 875 of its low which was not enough for momentum to be seen to be improving based on price. Tomorrows pivot point will be at USD 37,166, if the futures open above this level, then there is chance that we could see some short covering in the market. Ed's tip of the day, be on the lookout for the bullish hidden divergence, price is above USD 33,250 but the RSI is making new lows, on paper this is waning the market is supported based on price. Obviously, we need to see the Guinea situation settle down, but it is one to keep an eye on.

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Panamax

The negative sentiment was across the board with the Index coming in another USD 550 lower today. With no slowdown in the index the futures continue to play catch up, with the October contract trading USD 2,050 lower, to close the day at USD 31,125. The disparity is now at a healthy USD 700 between the two; however, the process of correction has come at a cost, a lower low on the intraday futures and a break in a secondary trend support is warning that we could soon test the primary support at USD 29,526. The RSI at 31 is now on support, if we hold then we could see another bull move, if support is broken then we could be looking at a corrective phase like this time last year.

Supramax

On Friday I did the gypsy switch and changed my view on the Supramax corrective within a bullish trend. Obviously, the negative sentiment in the market today is going to cause some concern, did I just commit technical suicide? Index momentum is gaining pace to the downside but remains in bull territory, below USD 33,144 the index is considered as bullish neutral and below USD 30,517 we will have created a lower low and be considered as bearish. For the October futures it was another brutal performance with price off USD 1,500 to USD 35,000. Price has held the USD 34,003 support to close on/above the 200-period MA. Bullish might be a big ask, but we are holding the MA with the RSI on support and the stochastic showing a positive divergence. Price needs an upside move above USD 37,250, if we achieve that then we have a higher high and a reason to be optimistic. Until then it is all about this support, if we hold then there is a chance of resumption of the trend. If support is broken, then you are looking at USD 32,843 and potentially 30,875 for the October contract.

Oil

The opening line on Bloomberg's oil daybook was 'Saudi Arabia cut price for Asia'. It was always going to be a hard task to set a bull argument on the back of that news. The intraday technical was oversold this morning and looked like it had further to test to the upside, however price failed to trade above USD 72.95, the dollar basket has steadied (small up on the day) and oil futures, having fought the good fight, look like they might pullback some more. Ultimately the trend is bullish but still needs the correction that we were talking about last week.

Have a nice Evening

Ed Hutton