

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	38125	38500	1.0%	Pmx 1 month forward	32875	34125	3.8%
Cape Q4 21	34141.5	34958.5	2.4%	Pmx Q4 21	31650	32875	3.9%
Cape Cal 22	23675	23987.5	1.3%	Pmx Cal 22	20600	21150	2.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	35375	35750	1.1%	Brent	71.53	72.65	1.6%
Smx Q4 21	33900	34950	3.1%	WTI	68.38	69.35	1.4%
Smx Cal 22	20575	20875	1.5%	Iron ore	136.75	131.95	-3.5%

Data Source FIS and Bloomberg

Iron Ore

The October futures traded above USD 137,44 level on the intraday move but failed to hold, resulting in technical sellers entering the market. Price closed at USD 131.95 keeping the technical and the momentum in bearish territory, with the futures now targeting the USD 128.45 low and possibly the USD 110.00 level. The RSI is holding support and starting to flatten warning we could potentially see the futures enter a consolidation phase soon. The technical is bearish but the construction season is now upon us suggesting that if we do continue to the downside we could see a momentum/volatility slowdown.

Copper

As noted yesterday the futures remained in range with price still vulnerable to a test to the downside. Price has now broken the USD 9,275 support with the futures trading to a low of USD 9,208. Price has now entered a corrective phase with near-term support at USD 9,137 and USD 9,010. Downside moves that hold above this level will support a bull argument, below this level would warn the technical could weaken further with the potential to test the USD 8,910 and USD 8,740 support levels. Two down days with price holding the 50% retracement, whilst the 2 period RSI is oversold, warns we could see price hold and even produce a bull day tomorrow.

Capesize

The Harami pattern produced an up day today with the October trading to a high of USD 39,000 before closing the day up USD 375 at USD 38,500. The near-term upside target is at USD 41,421, above this level momentum will be seen to be improving based on price. For more information on the technical please click on the link. Capesize Technical Report (Harami signal buy-side support) 08/09/21 <https://fisapp.com/wp-content/uploads/2021/09/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-08-09-21.pdf>

Panamax

The bullish Harami pattern that we noted yesterday has produced upside continuation today. The October contract going into the close USD 1,250 higher at USD 34,125 with price needing to close above the USD 34,016 level for further confirmation that buying momentum is increasing. The RSI is now above 50 with the stochastic in oversold territory, momentum is warning that price is vulnerable to further tests to the upside. The index is still moving lower, but the sell side momentum is slowing, price is USD 208 lower at USD 29,924 and needs to close above USD 30,920 to indicate momentum is improving based on price. However, this level will drop tomorrow meaning we could soon see momentum turn to the buy-side.

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Supramax

The index is still coming under pressure and is now trading at a discount to the October futures (Panamax trading at a USD 4k premium). The futures produced an inside day yesterday with our note warning that the move could be to the upside based on the Harami patterns in the Cape and Panamax, price has traded higher but only by USD 375 to put the futures at USD 35,750. With downside momentum still consistent in the index (USD -492 at USD 35,325) the upside move in the paper is capped. A momentum slowdown is needed or an upturn in the larger vessels to convince market buyers to enter. A close above the USD 37,066 is currently needed to imply buy-side momentum is improving, however this level should be lower tomorrow suggesting buy signals are not that far away.

Oil

Technically bullish, with the need to pullback to go higher has been our verdict over the last few days. However, price corrected for 3 days with the pullback seemingly shallow, today's candle has produced a higher low and higher high to yesterday candle. Hurricane Ida is the issue as this has created a slow return of U.S. production, meaning we might not get the technical pullback that we were looking for. Price is bullish but has moved sideways for the last 6 sessions, an up day today is going to need to see some follow through tomorrow to convince the market, as all the averages are flat at this point.

Have a nice Evening

Ed Hutton