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



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	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Cape 1 month forward	44750	46950	4.9%	Pmx 1 month forward	35400	35375	-0.1%
Cape Q4 21	38750	40066.5	3.4%	Pmx Q4 21	34325	34625	0.9%
Cape Cal 22	25050	25844	3.2%	Pmx Cal 22	22750	22850	0.4%

	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Smx 1 month forward	38675	39000	0.8%	Brent	72.92	73.46	0.7%
Smx Q4 21	37050	37875	2.2%	WTI	69.72	70.39	1.0%
Smx Cal 22	22350	23350	4.5%	Iron ore	128.4	122.12	-4.9%

Data Source FIS and Bloomberg

Iron Ore

The longer-term trend moved into neutral last week but the technical had warned that it was not a good place to enter fresh shorts due to a positive divergence in the market. However, the Chinese government brought forward the restriction curb dates from December to November on Monday resulting in further tests to the downside. The USD 120.475 support is holding for now, however if we break it the futures will test our longer-term downisde Elliott wave target at USD 110.235

Copper

On last week's technical we noted that the futures looked to be in a bullish Elliott wave 5 and this appears to be the case based on the USD 9,755.5 high today. Price still needs to trade above the USD 9,975 resistance, however the technical is bullish on the back of a previous fractal break. Intraday price action on the other hand is weakening with the futures trading below the daily pivot point. We remain technically bullish above the USD 9,394 level on the intraday, below it we are neutral. The futures looks like they are entering a bullish Elliott wave 5; however, the EMA's still remain flat, warning the market needs to do more to confirm it is in a trend.

Capesize

Another big move in the index today with price USD 6,736 higher at USD 52,958, meaning we have made another new high. It is worth noting the RSI went above 64 on Friday which is often a signal that the market is tight, as confirmed by the move today. The October gapped up on the open with price trading to a high of USD 47,500, before closing the day USD 2,200 higher at USD 46,950. The Q4 futures also provided another strong day with price USD 1,316 higher at USD 40,066, suggesting we should pass the USD 42,750 high soon. The Elliott wave would imply we are in a bullish wave 5 of this phase, using the William method of price projection it would suggest that we have a potential upside target as high as USD 53,316. Just an observation but the CvP Q1-22 spread was around USD –4,500 today, the longer-term average for this spread at this time of year is around USD 2,000, indicating we are USD 6,500 under the mean. With 4-months of active play in that spread, there should be some form of mean reversal, even if USD 2,000 is not achieved it does look interesting from the buyside at these levels.

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Panamax

The index turned bullish on Friday with momentum now gaining, price is USD 8,93 higher at USD 31,913, suggesting we could soon test the fractal resistance at USD 33,866, which if broken would leave us to target the USD 37,086 high. However, back to the here and now, the futures opened stronger, but expectation hit reality around mid-morning when price hit a high of USD 36,500 putting futures USD 5,500 above the index. The market hit a wave of technical sellers, it wants to go up, but at such a premium it will need some more big numbers in the physical/index for the paper to run again. We are technically bullish, but we have closed on the daily pivot indicating neutrality today with tomorrows pivot at USD 35,705 (closed 35,375), if we open below this level we could see a rebalance with the futures looking to close the disparity gap to a more comfortable level.

Supramax

The index is USD 115 higher today at USD 34,982, however for momentum to be seen improving based on price we will need to see a close above the USD 35,307 level tomorrow. The October futures have found themselves in a similar position to the Panamax, price is bullish but at a USD 4,000 premium the upside looks limited until we get higher index numbers, if we do not then the paper is vulnerable to a corrective move lower to close the disparity gape. We think the cycle is a wave 5, suggesting we will make a new high, but we need index backup for any form of sustained move.

Oil

We continue to maintain a bullish market view on Oil with price trading above the USD 73.69 high in the morning session. However, price needs to close above and hold above this level if we are going to see a range breakout. If we do break out then we target a 100% move of the range itself, implying we could trade at USD 76.93. The technical has not officially broken yet, but with tropical storm Nicolas on the horizon on the back of Ida, there is the potential for further supply disruption in the pipeline (pardon the pun) suggesting USD 76.93 is more than a technical play

Have a nice Evening

Ed Hutton

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