

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	44750	44500	-0.6%
Cape Q4 21	38541.5	38500	-0.1%
Cape Cal 22	25200	25331.5	0.5%

	Previous Close	Current Close	% Change
Pmx 1 month forward	34500	35500	2.9%
Pmx Q4 21	33600	34425	2.5%
Pmx Cal 22	22450	22775	1.4%

	Previous Close	Current Close	% Change
Smx 1 month forward	38250	39000	2.0%
Smx Q4 21	36925	37800	2.4%
Smx Cal 22	23100	23550	1.9%

	Previous Close	Current Close	% Change
Brent	73.6	75.5	2.6%
WTI	70.46	72.54	3.0%
Iron ore	120.67	115.4	-4.4%

Data Source FIS and Bloomberg

Iron Ore

On the 31/08/21 we highlighted the downside risk that the futures could trade with a USD 110 handle. We also noted that this could bring into play a bullish Gartley pattern as the weekly chart had initially based around the USD 136.00 level (61.8% Fib retracement) with a 78.6% retracement/support at USD 109.49. Price is now at USD 112.90 and approaching the Fibonacci support zone (USD 110.24-USD 109.49), the USD 110 level is a potential wave completion target on the intraday whilst the USD 109.49 is the Gartley level. There is no bullish rhetoric at this point, but it is something to be aware of.

Copper

The daily technical has held at the congested longer period EMA's having produced a weak close yesterday. Price is not yet in trend, but the RSI has held above 50 indicating buy-side momentum could be increasing. The weekly trend however is looking stable with longer period averages well-spaced having recently held the downside move to USD 8,740. We continue to maintain a bullish view as highlighted on last week technical, a wave-5 looks like it is coming, it is taking its time, but our view remains unchanged.

Capesize

The close yesterday indicated that momentum was weakening based on price, resulting in the futures trading USD 1,000 lower today. The longer-term technical remains bullish above USD 39,910, below this level it will enter a neutral phase whilst below USD 36,000 it will be considered as bearish. The index is down USD 311 to USD 53,381 but remains in bull territory, a close below USD 48,847 would mean momentum is weakening based on price. Tomorrow's pivot point for the October contract is at USD 44,125 with price closing the day at USD 44,000, if we open above the pivot, we could see higher pricing tomorrow. Technically bullish but in a corrective phase.

Panamax

The index is up along with the futures. Price is currently at USD 35,375, if we close above the USD 35,225 then we could see upside continuation tomorrow. For more information on the technical please follow the link. Panamax Technical Report (is the 2021 bull run an extended wave 3?) 15/09/21 <https://fisapp.com/wp-content/uploads/2021/09/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-15-09-21.pdf>

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Supramax

Having held support into the close yesterday the October futures opened USD 750 higher. Price came under pressure early on before rallying post index back to its opening value, creating a Doji candlestick. The technical is bullish but we have indecision in the market, upside moves above USD 39,250 tomorrow would suggest the futures will look to test the USD 40,075 high. Price remains around USD 3,300 above the index which turned bullish, however with the index up 404 and the October up USD 750, it cannot continue to outperform for long as the disparity will become unmanageable once again.

Oil

Momentum yesterday had suggested the market would test the highs and let us know if the upside move had legs. Price has traded higher today, with the futures up USD 1.90, at USD 75.51. On the morning report we targeted the USD 76.93 level (recent high USD 76.13), based on today's move we think it will get there. The driver is the depleting U.S inventory, signaling tight supply (Bloomberg), but let's be honest, the technical saw it first!!

Have a nice Evening

Ed Hutton