

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	46875	47375	1.1%
Cape Q4 21	39458.5	39833.5	1.0%
Cape Cal 22	25025	24862.5	-0.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	36000	35450	-1.5%
Pmx Q4 21	34950	34250	-2.0%
Pmx Cal 22	22550	22325	-1.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	38250	37875	-1.0%
Smx Q4 21	36850	36425	-1.2%
Smx Cal 22	23075	22600	-2.1%

	Previous Close	Current Close	% Change
Brent	74.68	75.86	1.6%
WTI	70.51	71.97	2.1%
Iron ore	116.4	117	0.5%

Data Source FIS and Bloomberg

## Iron Ore

Evergrande announced it had reached an agreement with yuan bondholders on an interest payment, soothing the financial market who have been going risk off for the last couple of days. The result was a USD 13.50 upside move for the October contract that closed above the high of the previous three sessions. The market is not yet bullish with Analyst's at UBS forecasting USD 89.00 for next year whilst Liberum Capital are forecasting USD 93.00, high levels but well below the USD 230.00 peak witnessed in May. From technical perspective upside moves are likely to find sellers near the longer period averages between USD 134.00—USD 145.11, from a physical perspective, we are seeing a small build in port inventories with little expectation of speculation of inventory at mill, suggesting a more hand to mouth approach into the year end. Potential for a short-term bounce in the near-term but little reason to expect a sustained run at this point, unless there is a stimulus package from the Government to calm market nerves.

## Copper

A long legged Doji yesterday symbolizing both downside rejection and indecision in the market. The futures held the USD 7,791 level which we had as key support, before rallying on the Asian open on the back of Evergrande announcing an agreement with bondholders. The futures are up USD 350 today as the market goes from risk off to risk on, price however will need to trade above USD 9,755.5 to be considered as bullish. A USD 500 move to the upside in the last two days could result in price consolidating or even pulling back a little in the next day or so as the market adapts to the recent volatility expansion. The tech is bearish, but the markets are going risk on with price back above the 200-period MA, will need to consolidate soon.

## Capesize

Another big day in the index with price USD 3,446 higher to USD 59,715. We have USD 60,063 as our upside target, which in theory should be achieved tomorrow. For the futures there is an air of caution with the October contract still trading at USD 47,375, USD 12,340 below the index. Something must give, or price has to meet in the middle, at this point we still have expectations of a new high in the futures based on our wave analysis; however, our target is between USD 48,987—USD 52,160 suggesting that although we could gap up, there is unlikely to be any silly moves to the upside from here. For the record, I think the moves in 2020 and 2021 are linked, suggesting that we are only seeing completion of an extended wave 3, if my wave count is correct of course.

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## Panamax

The Index is back in bull territory having traded above the USD 33,866 fractal resistance, for the futures there is again an air of caution with the October contract moving lower to close the disparity gap to USD 1,139. We still think there is more in the tank in this move, for more information on the technical, please follow the link. Panamax Technical Report 22/09/21 <https://fisapp.com/wp-content/uploads/2021/09/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-22-09-21.pdf>

## Supramax

The index continues to maintain bull momentum (+USD 118, to USD 36,717) with the October futures moving USD 375 lower to USD 37,875. The trend in the rolling front month contract remains technically bullish with its EMA's well-spaced, however price is now moving sideways rather than up as the futures continue to fail to trade above the USD 40,075 high. Technically we think the wave analysis is pointing to a new high, however we are going to need to see an increase in index momentum otherwise this move might not happen. Keeping the bull hat on for now!

## Oil

Oil is moving back to the upside in a move that is driven by U.S inventories which are now at their lowest level since 2018 (Bloomberg). We still have the technical targeting the USD 76.93 level, price is back with a USD 76.00 handle, so our expectations are that it is just a matter of time. The USD basket is starting to bubble on the EMA's suggesting a market pullback, however with the FOMC and BOE speaking this week it is hard to take a technical view (I'm going to obviously). Cable is on weekly EMA's support levels which look stable whilst the longer-term EMA's in the dollar basket although narrowing are still aligned to the sell side, suggesting sterling could push from here, the market is already pricing in tapering from November so unless there is a surprise I think cable should hold, the USD basket weaken and oil rally. Loads for me to get wrong on that one!

Have a nice Evening

Ed Hutton