

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	48875	50750	3.8%	Pmx 1 month forward	35925	36375	1.3%
Cape Q4 21	41216.5	43000	4.3%	Pmx Q4 21	34500	34900	1.2%
Cape Cal 22	25150	25575	1.7%	Pmx Cal 22	22300	22250	-0.2%

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Smx 1 month forward	38575	38750	0.5%	Brent	77.26	78.07	1.0%
Smx Q4 21	37175	37475	0.8%	WTI	73.24	74.08	1.1%
Smx Cal 22	22925	22650	-1.2%	Iron ore	109.85	111	1.0%

Iron Ore

Data Source FIS and Bloomberg

The October futures continue to move higher with price trading above the USD 111.95 level to a high of USD 116.00. A little bit back to basics here regarding the current upside move, is it warning that momentum is turning or just another countertrend move? If we look at the last upside move in August, it encompassed 32 4-hour candles and rallied USD 35.15; the current upside move is 27 4-hour candles and a rally of USD 26.00. Gann noted that time is greater than price, at this point the upside move is less in time and smaller in price than the previous move, leaving it vulnerable to downside price action. However, by the E.U close on Monday we should know if sentiment is turning or not, if we are greater in time, it would imply bull sentiment is improving. Technically bearish, above USD 120.36 the trend is considered as bearish/neutral.

Copper

An up day for copper coming into the E.U. close but not a bull day, we have an inside day candle pattern as the futures remain in yesterday's range, indicating the market is continuing to consolidate. If we break to the downside on Monday we have the 200-period MA support just below USD 9,100, warning we could see buying support a lower level, if we break to the upside the futures will target the USD 9,509 fractal resistance. For the record the weekly candle looks like a bullish rejection candle.

Capesize

We have a target the for the October futures between USD 48,978 and USD 52,106, the futures are going to close the week around the Mid-point of our target zone (USD 50,750). The futures have closed on the high of the week suggesting we should see some upside continuation early into next week. However, the RSI is in divergence on the weekly, daily, and 4-hour charts, suggesting that upside moves next week could struggle to hold. The trend is bullish, the close is bullish, but there are some signs of exhaustion creeping in on the momentum front.

Panamax

The futures have closed the week on their highs producing a dragonfly Doji on the weekly candlestick. This candle is warning that we have the potential for a reversal, however we still have not seen a new high above the USD 37,750, indicating that the candle pattern is conflicting with the wave count. The technical remains bullish but has now moved sideways for 9 of the last 10 session. Price needs to push above USD 36,750 in the early part of the week otherwise market sellers could be emboldened. The open interest on Monday will tell us if we are seeing distribution or not.

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Supramax

Daily price action in the futures has been limited to a USD 500 range, with price closing the day up USD 175 at USD 38,750. The technical and the wave count remain bullish, but the weekly candle does look like it is a hanging man, not a sell signal it does warn that sellers are gaining in strength. Upside moves above the USD 39,250 level should be enough to push the October contract above the USD 40,075 high. The technical like the rest of the freight complex is bullish and in trend; However, we are going to need to see a strong push in the early part of the week as there are signs of weakness across the sector.

Oil

News on the wire today 'Panic buying swamps U.K filling stations' (Bloomberg). That might not be the reason for the continued upside move in Brent today, but I do want to congratulate Mrs. H on filling the car up! As noted yesterday the wave analysis is bullish with price on what looks to be a wave-3 of a wave-5, the futures are now approaching the USD 78.17 level with price remaining in a bull trend. The range breakout is still in play here as price can project multiples of the range, we are now near the 138.2% projection level (USD 78.17), which if broken will leave us targeting the 161.8% (USD 78.95) and 200% (USD 80.20) levels. GS noted on Bloomberg that an especially cold winter could push prices up to USD 90.00, However with OPEC and co having previously signaled that they will continue to revive production going forward, the reality is that it could struggle to reach these levels in the near-term.

Have a nice Evening

Ed Hutton