

# 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	50750	55625	9.6%	Pmx 1 month forward	36375	36250	-0.3%
Cape Q4 21	43000	46708.5	8.6%	Pmx Q4 21	34900	35175	0.8%
Cape Cal 22	25575	26575	3.9%	Pmx Cal 22	22250	22550	1.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	38750	38800	0.1%	Brent	78.07	79.58	1.9%
Smx Q4 21	37475	37575	0.3%	WTI	73.95	75.5	2.1%
Smx Cal 22	22650	23050	1.8%	Iron ore	111	119.25	7.4%

Iron Ore

Data Source FIS and Bloomberg

‘Iron ore roars back as mills look to stock back up before the holiday’ is the headline on Bloomberg this evening. The October contract has moved above a key resistance meaning the trend remains neutral bearish. Rhetoric on the wire is bullish with the expectations of stockpiling as demand improves following the summer lull. We have two issues, 1) steel quotas are low so unless this changes, expectations of stockpiling seem over optimistic 2) Aggregate open interest is dropping suggesting this is the market taking profit on the DCE, I.E short covering. We are going up, and there are signs that the next downside move could be the last for a while, we are however not yet bullish.

Copper

The futures broke to the upside but failed to hold, intraday price rejecting the 200-period 4-hour EMA. The rejection of the intraday MA is warning we could see a down day tomorrow, as market sellers look to test buy-side resilience, however if we see a late push in the U.S with price closing above the USD 9,388 level we could see a stronger Asian open. From a technical perspective it is a story of the two, 200-period MA's, the 4-hour v's the daily (USD 9,388—USD 9.101). The trend itself continues to look neutral with the longer period EMA's flat, indicating a lack of any real trend. For copper bulls it is a frustrating time as it did not follow other metals higher due to the Evergrande bond issues, this has left the futures behaving like a financial rather than a metal due to its status as a bellwether indicator. Needs a directional breakout soon.

Capesize

The paper market moved higher today with the futures looking to close the disparity gap with the Index. The October contract is up USD 4,875 and above our initial target whilst the Q4 is up USD 6,600 in a week, our target at USD 50,800 remains unchanged. Technically bullish with the physical still pushing putting more and more pressure on the short builds in the market due to the October looking like the intraday Elliott cycle has extended. For more information, please click on the link. Capesize Technical Report 27/09/21 <https://fisapp.com/wp-content/uploads/2021/09/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-27-09-21.pdf>

# FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

## Panamax

The futures moved higher on the open driven by the Capesize sentiment, having pushed the futures above the USD 36,625 resistance market bulls failed to capitalize. Unlike the cape the Panamax futures are already at a premium, meaning there is no disparity gap to close. The index is higher but only by USD 76 which is signaling that momentum is slowing down based on price, we remain bullish, but the paper is not prepared to run at these levels, implying the upside move if it happens is going to have to come from the physical and not be driven by sentiment.

## Supramax

A very similar story to the Panamax in the Supramax today, price moved USD 500 higher on the open, before giving back gains this afternoon on an index that was only USD 50 higher. The October contract is on an Elliott wave-5 and in theory should make a higher high, however price is already at a USD 1,800 premium to the index with only a couple of days left before the October prices in. We are bullish, but again need to see something from the physical here otherwise we could see paper enter a corrective phase. Tomorrow's pivot is at USD 38,933 with price at USD 38,800, meaning the open will be in balance, price will need to open higher otherwise market sellers may look to test downside support.

## Oil

Energy remains in the spotlight with the Brent futures continuing to push higher, price reached a high of USD 79,90 today, which is within 30 cents of the 200% projection of the range. The technical is bullish with the co-head of trading at the Trafigura Group saying that prices will continue to rise, as supply struggles to catch up with fast moving demand (Bloomberg). We think the Elliott wave has more in it as well, price is however moving faster than we expected, but importantly it is not starting to bubble, 1-hour Emails look remarkable stable suggesting corrective moves should find support at lower levels.

Have a nice Evening

Ed Hutton