

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	50875	51500	1.2%
Cape Q4 21	51450	52625	2.3%
Cape Cal 22	26500	26525	0.1%

	Previous Close	Current Close	% Change
Pmx 1 month forward	36750	37375	1.7%
Pmx Q4 21	35750	36350	1.7%
Pmx Cal 22	22650	22850	0.9%

	Previous Close	Current Close	% Change
Smx 1 month forward	38000	38500	1.3%
Smx Q4 21	37050	37350	0.8%
Smx Cal 22	22725	22875	0.7%

	Previous Close	Current Close	% Change
Brent	78.51	78.73	0.3%
WTI	75.12	75.38	0.3%
Iron ore	117.3	116.05	-1.1%

Data Source FIS and Bloomberg

## Iron Ore

Golden week has begun meaning, we have no DCE and a very thin offshore market. The broker market saw a small uptick in price with little activity on the trading side, the Screen however looks to be subject to a little price manipulation with the futures moving USD 8.00 higher on absolutely no volume, making it hard to gauge the real value going into the close of the week. As I type price has just traded USD 3.00 lower. Fun and games, we will hopefully have more information from the real market (Broker OTC market) next week. Let the children play!

## Copper

On the morning note we highlighted the bullish divergence that had formed on the 1-hour chart, warning we could be about to see a momentum slowdown. A weaker USD basket has aided copper today, resulting in the futures moving USD 193.00 higher to USD 9,129.50. The near-term, short-term trend is turning bullish, however the technical remains vulnerable below USD 9,242.

## Capesize

Sentiment changed yesterday when the Chinese government announced that firms were to secure energy at all costs, this has also resulted in the downside move on the parabolic trend break being less aggressive than expected. The index moved another USD 1,014 higher to USD 75,190, resulting in the futures reversing the sell-off witnessed on Wednesday, price has now made a new high. We noted on the morning technical that the pullback was considered as shallow, indicating we had a lower time frame wave extension on the 34 min Elliott wave in play. The new high means this mini cycle has achieved the minimum requirement for phase completion; however, our near-term upside target for this cycle is potentially as high as USD 72,250. Technically bullish and looking like it might have more in the tank on Monday.

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## Panamax

We had noted on the technical yesterday that the new highs in the Panamax futures had created numerous negative divergences in the market, resulting in a technical sell off. Price stabilized yesterday on the Chinese energy headlines, but price has failed to capitalize on the bullish Cape move. The futures are small up on the day at USD 36,450 in the October contract. However, the index is down USD 190 with the close signaling that momentum is weak based on price. For the futures it is going to be a hard bull argument if the index is moving lower whilst the October contract is now pricing in.

## Supramax

We noted on the close report a couple of days back that the front-end futures were vulnerable to a move to the upside, based on the faster moving momentum indicators. The futures have held momentum support with price USD 625 higher in the October futures, at USD 38,750. Momentum based on price is slowing down on the index with price just USD 12.00 higher at USD 38,750. This will create an issue for the October futures if it moves much higher, the roll has gone through, meaning any form of cycle completion on the Elliott wave will now involve the November contract, for the October, bullish futures on a slowing index would suggest the paper will come under pressure unless the physical picks up.

## Oil

The Brent futures remain in a sleepy wave 4 now with price continuing to test the USD 77.88 support. We remain bullish and expect further upside in the futures. There is nothing interesting on the wire today but there is something happening in the paper market, volume is high, at this point it is too early to tell if it is accumulation or distribution, the open interest will tell us this next week. My money is on accumulation, based on the Elliott wave cycle.

Have a nice Evening

Ed Hutton