

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	59625	51750	-13.2%	Pmx 1 month forward	39250	37950	-3.3%
Cape Q4 21	61666.5	54875	-11.0%	Pmx Q4 21	37800	36925	-2.3%
Cape Cal 22	29250	28050	-4.1%	Pmx Cal 22	25375	24700	-2.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	40000	40750	1.9%	Brent	83.69	83.35	-0.4%
Smx Q4 21	38950	39500	1.4%	WTI	80.49	80.5	0.0%
Smx Cal 22	25325	25900	2.3%	Iron ore	135.3	128.8	-4.8%

Iron Ore

Data Source FIS and Bloomberg

Price rose yesterday on the back of mills restocking after the weeklong holiday in China, the futures traded to a high of USD 137.60 but failed to trade above the USD 138.77 resistance, leaving the technical vulnerable to further tests to the downside. We noted on the technical report that the momentum was warning we could see a weakening in price yesterday, resulting in a move over USD 10.00 USD lower. The futures have held support at USD 124.48, with the November contract closing out at USD 129.00, if we continue to push higher in the China Day session the futures should have near-term resistance at USD 134.65 with further resistance between USD 137.60—USD 138.77

Copper

The futures failed to close above the trend resistance with price trading to a high of USD 9,575. A test to the downside has held the 60-period EMA support at USD 9,356, leaving the futures USD 20.00 below the opening price. The technical remains in range with near-term momentum aligned to the buy-side, the futures will need to close above this USD 9,612 tomorrow to signal a bull breakout. Price is warning there is indecision in the market with the intraday technical creating a negative divergence, suggesting we have the potential for some form of pullback in the near-term.

Capes

Momentum on the index is weakening based on price having closed below the USD 84,287 level. The index is USD 3,187 lower at USD 79,535, indicating the downside moves is gathering pace. For the futures it has been a bad day, the Nov contract opened slightly lower than the previous close but above the daily pivot point. However, the upside move did not have RSI support, resulting in technical sellers entering the market to close the day USD 7,875 lower, at USD 51,750. In theory the USD 27k disparity should be a major issue to price, however, the ratio would suggest there is still a little room to the upside. Either way, the futures are looking for a bad index in the next couple of days, otherwise we could see another squeeze.

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Panamax

The index is USD 257 higher today at USD 33,814, momentum is considered as bullish based on price; however, price is still in transition and needs to produce another bull day tomorrow for final confirmation. For the futures it has been a case of a narrowing of the disparity gap, the November contract has given back the bulk of yesterday's gains to close USD 1,300 lower at USD 37,950. We had expected further upside based on the close yesterday, with price being at the top of its range and above the daily pivot point. The futures opened slightly weaker before dropping USD 850 on the 8.00 a.m. candle. Tomorrow's pivot point is at USD 38,333, suggesting price should open below it in the morning, near-term resistance is between USD 38,821 and USD 40,500 with support at USD 37,000 and USD 36,550 on the daily tech. Price failed to hold the upside and is nearing the USD 37,000 support; we look to be consolidating on the daily chart but potentially weakening on the intraday technical. The bulls won yesterday, and the bears have one today, price looks like it could test the longer-term EMA's on the daily chart (30-60), these are well spaced suggesting the trend is stable and should hold for now but looking like they could come under pressure.

Supramax

As noted yesterday, the Supramax cycle unlike the rest of the sector remains bullish, rather than neutral/bullish. Price is moving up again today on the back of the index which closed USD 325 higher at USD 38,069. The November futures responded by moving USD 750 higher to close at USD 40,750. We maintain a bullish Elliott cycle remains in play with a near-term upside target at USD 41,250.

Oil

Indecision in oil today with the futures going into the E.U. close unchanged. An intraday pullback to USD 82.72 means the 1-hour trend is now considered as neutral/bullish rather than bullish. The longer-term trend remains technically bullish, but if we close with a Doji it will leave the market vulnerable to a test to the downside tomorrow. If we close below USD 83.24 then look for potentially weakening of prices and a corrective phase. Price does remain bullish, but the new high today has created a negative divergence on the intraday technical, suggesting market buyers could be about to take a step back.

Have a nice evening

Ed Hutton