

# FIS European Close

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|                      | Previous Close | Current Close | % Change |                     | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 49500          | 45000         | -9.1%    | Pmx 1 month forward | 38625          | 37450         | -3.0%    |
| Cape Q4 21           | 52958.5        | 49750         | -6.1%    | Pmx Q4 21           | 37450          | 36400         | -2.8%    |
| Cape Cal 22          | 28600          | 27875         | -2.5%    | Pmx Cal 22          | 25800          | 25300         | -1.9%    |

|                     | Previous Close | Current Close | % Change |          | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 42125          | 41175         | -2.3%    | Brent    | 84.07          | 84.76         | 0.8%     |
| Smx Q4 21           | 40625          | 40100         | -1.3%    | WTI      | 81.43          | 82.14         | 0.9%     |
| Smx Cal 22          | 26250          | 25625         | -2.4%    | Iron ore | 123.65         | 123           | -0.5%    |

Iron Ore

Data Source FIS and Bloomberg

Price is holding above the 200-period MA (USD 119.38) with the October futures closing the week at USD 120.55. An intraday upside moves has failed at the USD 126.55 resistance with the RSI below 50 and the stochastic overbought, momentum is warning we have a potential for another test to the downside. A close below the 200-period average in the Nov futures will target the USD 112.60 support, key upside resistance at 138.77. Weekly support is at USD 106 with resistance at USD 144.00.

Copper

Coppers soars to a new high as stockpiles hit a 47-year low (mining.com). We had already highlighted the technical breakout above USD 9,612 with price now USD 700 higher. As previously noted, we had this correction as a wave-4 with a bull wave-5 to come. Low stockpiles and a bullish Elliott wave cycle would suggest that we should in theory trade above the USD 10,747.5 resistance. Levels of interest will be at USD 10,601, USD 10,747.5, and USD 10,842. If for some reason we do see a heavy technical pullback then weekly support starts at USD 9,870.

Capes

The downside move in the index is in full swing with price another USD 5,764 lower today at USD 64,417. For the November futures we have seen a pullback below the USD 47,500 support meaning the intraday Elliott wave cycle has failed, implying we are in a higher timeframe wave 4. The near-term technical is now considered as bearish with weekly support levels at USD 39,236, USD 37,315, and USD 35,394. Upside moves will find weekly resistance starts at USD 50,764. A big level in the index will be at USD 56,277, below this level would mean the last USD 40,000 upside move will be considered as neutral

Panamax

The Panamax index is still going up but the buy-side momentum is slowing, price is USD 380 higher today at USD 35,248. For the futures it has been a bear day, weighed down by the negativity in the cape, market sellers have closed the premium in the Nov futures to just over USD 2,000. Price is USD 1,175 lower today, meaning we have a negative close on the week, Last week the futures produced a bearish rejection candle, with price again failing to hold onto upside moves this week. We now have two warning signs that the futures are showing signs of exhaustion, if we do break lower than market sellers will look to target the USD 35,013—USD 33,388 support zone. Upside weekly resistance is at USD 40,180, however, with the index starting to slow down there is no reason to think it will be tested.

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## Supramax

Like the rest of the freight complex the Supramax has come under pressure, the index is USD 373 higher at USD 39,333 but the November contract is USD 950 lower, at USD 41,175. The futures have achieved the minimum requirement for phase completion, meaning the technical sell off makes logical sense, as the disparity between the two will need to be kept tight. Our intraday wave analysis would still suggest there is another intraday bullish move to come. However, with the intraday Cape cycle failing and the reaction candles in the Panamax, we would advise caution at this point. If we move lower market sellers are going to look to target the weekly support zone between USD 39,197 and USD 37,878. If we do move higher look for resistance between USD 43,150 and USD 44,450.

## Oil

Brent Rises to \$85 as Energy Crisis Stokes Demand Before Winter - (Bloomberg) -- Brent crude climbed above \$85 a barrel in London for the first time since 2018, the latest milestone in a global energy crisis that has seen prices soar. To avoid being repetitive we will keep it short. The Elliott wave is bullish as is the fundamental. We maintain our USD 91.00 target, we have weekly resistance between USD 88.15 and USD 90.48, unless there is an acceleration in the energy crises, we would expect this zone to hold next week. Downside moves should find buying support on the weekly chart between USD 81.17 and USD 78.84.

Have a nice weekend

Ed Hutton