

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	53000	49250	-7.1%	Pmx 1 month forward	39925	39250	-1.7%
Cape Q4 21	54687.5	53008.5	-3.1%	Pmx Q4 21	38100	37500	-1.6%
Cape Cal 22	28750	28400	-1.2%	Pmx Cal 22	26025	25500	-2.0%

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Smx 1 month forward	41375	40700	-1.6%	Brent	85.08	85.68	0.7%
Smx Q4 21	40300	39825	-1.2%	WTI	82.96	84	1.3%
Smx Cal 22	25850	25375	-1.8%	Iron ore	122.41	121.4	-0.8%

Data Source FIS and Bloomberg

## Iron Ore

Vale SA produced more iron ore than analysts expected, however with iron ore down from its peak earlier in the year the miner is cutting back on lower quality supply to protect margins (Bloomberg). The November futures have rallied a little but remain in consolidation, for more information on the technical please follow the link. Iron Ore Nov 21 (rolling Front Month) 20/10/21 <https://fisapp.com/wp-content/uploads/2021/10/FIS-Technical-Iron-Ore-20-10-21.pdf>

## Copper

The Base sector entered a corrective phase on the back Beijing intervening in the metal crisis (Bloomberg). Downside moves in coal saw the sector weaken with the copper futures trading to a low of USD 9,908.5 in the Asian session, before finding support at the longer-period EMA's (30-60), USD 9,910 was also the first of our intraday support levels. The futures have rallied but remain below the daily pivot point with intraday price and momentum aligned to the sell side, however the intraday upside move is coming off the back of a 3-wave corrective pattern which can be a bullish signal. On the daily chart we are seeing a bullish rejection candle, but price is still actively trading in the U.S session, if we close around these levels and see price trade above today's high tomorrow, we could see the 10,452.5 high be tested.

## Capes

The index is USD 378 higher today at USD 60,333, however for momentum to be seen to be bullish based on price we will need to see a close above USD 64,367. Yesterday we noted that the upside move in the Nov futures was greater in price than the move between the 10-11th of October, a higher close today would have been considered as bullish for the technical as the upside moves will have been greater in time and price. The futures moved up on the open to trade to a high of USD 54,875, however price failed to hold above the USD 53,998 weekly resistance, resulting in the futures selling down to a low of USD 49,000. Tomorrow's pivot is at USD 51,041 implying we have the potential for further tests to the downside, our intraday support starts at USD 44,975 with resistance at USD 53,525.

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## Panamax

The index continues to move higher; price is up USD 634 today at USD 36,792 with tomorrow looking like we will make a new. We noted yesterday that if price opened below the pivot level the futures would be vulnerable to technically selling, price opened above but came under pressure anyway in the morning session to trade below the daily pivot level. The November futures traded to a low of USD 38,750, we had intraday support starting at USD 38,726 meaning it held firm, resulting the futures rallying USD 500 to close the day at USD 39,250. We closed below the daily pivot but price has held the longer-term intraday EMA's (30-60), suggesting price remains supported at this point, tomorrows pivot will be at USD 39,316 indicating the market could be in balance on the open. Intraday support will start at USD 38,198 with resistance at USD 40,302.

## Supramax

The index continues to make new highs but is currently slowing down, price is up USD 94 today at USD 39,799, if we close below USD 39,326 then momentum will be seen to be weakening based on price. The disparity between the Nov contract and the index is now at USD 900 due to the paper moving USD 675 lower today, to close at USD 40,700. As previously noted with the index slowing down with paper still trading at a premium meaning the futures are unlikely to push without support from the physical market. The futures have closed on their lows with price between our S1 and S2 levels from the morning report (USD 40,767—USD 40,565). Tomorrow's pivot should be around the USD 40,983 meaning we could see a further test to the downside, however the futures have a good chance of opening up just above our intraday support (USD 40,560). If broken we have further intraday support at USD 40,372 and USD 40,184, suggesting downside moves could be limited, if support holds then our intraday resistance starts at USD 41,690. Technically bullish but looking uncomfortable based on the narrowing of the disparity.

## Oil

The intraday resistance at USD 85.59 held yesterday with price trading to a high of USD 85.40 before a technical pullback in Asian hours had oil looking like it could be in trouble. To be fair to the black gold, price had already held the 1-hour 200-period MA, before the EIA numbers saw crude inventories draw down 400,000 bbl, the result has been higher pricing with the futures currently trading at USD 85.64. Our intraday support started at USD 83.73 with price trading to a low of USD 83.61 before bouncing, indicating the market is technically supported. If we do trade above the USD 86.04 resistance then our intraday resistance start at USD 86.57 up to USD 87.78, at this point it looks like these levels will hold today. Tomorrows support and resistance levels will be on the morning report as they cannot be calculated until the market close.

Have a nice Evening

Ed Hutton