FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COAL

FIS European Close

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	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Cape 1 month forward	49250	42250	-14.2%	Pmx 1 month forward	39250	39000	-0.6%
Cape Q4 21	53008.5	48000	-9.4%	Pmx Q4 21	37500	37100	-1.1%
Cape Cal 22	28400	26800	-5.6%	Pmx Cal 22	25500	24850	-2.5%

	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Smx 1 month forward	40700	39625	-2.6%	Brent	85.89	84.05	-2.1%
Smx Q4 21	39825	38850	-2.4%	WTI	84.25	81.74	-3.0%
Smx Cal 22	25375	24500	-3.4%	Iron ore	120.65	116.75	-3.2%

Iron Ore Data Source FIS and Bloomberg

Industrial metals have all come under pressure today as high energy costs threaten global growth whilst China's economy faces headwinds after the Evergrande group failed to offload a stake in its property management arm (Bloomberg). Iron ore futures are no longer in consolidation after they broke to the downside in the Asian day session, the November contract traded to a low of USD 117.15 below our third support level for the intraday range. The downisde move failed to hold with the futures closing the day at USD 117.15. The technical is bearish, it had shown signs of resilience and continues to do so, however price is now below the 200 period-MA on the intraday, suggesting we could potentially see technical sellers enter the market.

Copper

We marked copper bullish last night and again this morning, however iron ore futures broke to the downside on the back of Evergrande and the global energy crisis, this has in turn resulted in the technical moving lower. However, this has not changed our Elliott wave footprint, price is still in bull territory above USD 9,735, below this level the technical is considered as bullish/neutral, we maintain our view that the technical is bullish but in what is now starting to look like a complex correction. On the morning not we had intraday range support between USD 9,964 and USD 9,817, price has traded to a low of USD 9,788 but is now trading at USD 9,854.

Capes

On the plus side the November futures held our range support at USD 42,125, on the downside due to the recent volatility our lower range support was USD 7,000 below yesterday's low. The close yesterday had signaled we had potential for further tests to the downisde, however this is liquidation rather than correction with price now trading below the USD 42,500 support, to close out at USD 42,250. Key support is at USD 36,000, if broken the technical could get messy, if it holds, we potentially could rally. From an Elliott wave perspective, we are missing a bull wave, at this point the higher timeframe wave count is neutral and the lower timeframe intraday is bearish. We are seeing positive divergences in the market on multiple timeframes; however, these are warnings the buy signal will need to come from the price action, which at this point we are not seeing.

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Panamax

It's very difficult to move higher with the index when your big sister has just fallen out of bed. For more information on the technical please follow the link. Panamax Technical Report (corrective not bearish on the backs) https://fisapp.com/wp-content/uploads/2021/10/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-21-10-21.pdf

Supramax

The index continues to slow down with price USD 61.00 higher today at USD 39,860. With the selloff in the larger size vessels putting the market under pressure the Nov futures have closed the disparity gap in preparation for a lower index. Price is now at a discount to the paper having closed USD 1,075 lower at USD 39,625. Intraday price did trade to a low of USD 39,000, however we have weekly range support at USD 39,150, USD 38,475, and USD 37,800 with our tertiary support on the daily at USD 39,706, meaning we have seen small buying interest into the close as the intraday futures had started to look a little overextended. Technically corrective, it is a little early to tell if we are bearish.

Oil

Iron ore declined on energy fears whilst oil declined on global growth fears, go figure. The futures did trade above the USD 86.04 resistance on the open in Asia, however price has since come under pressure all day with the futures trading to a low of USD 83.36, the candle is not a bearish engulfing but if we close above USD 83.61 it will be. Technically the trend is bullish but with yesterday hanging man and lower pricing today we are in danger of entering a corrective phase. The USD basket has is showing signs it could be basing, warning that oil has the potential to come under further pressure.

Have a nice Evening

Ed Hutton

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