European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	29625	29000	-2.1%	Pmx 1 month forward	21750	21550	-0.9%
Cape Q122	18250	17750	-2.7%	Pmx Q1 22	20500	20625	0.6%
Cape Cal 22	22150	22000	-0.7%	Pmx Cal 22	19175	19550	2.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	24425	24250	-0.7%	Brent	78.66	79.65	1.3%
Smx Q1 22	21250	21700	2.1%	WTI	76.11	76.7	0.8%
Smx Cal 22	19475	19750	1.4%	Iron ore	90.45	94.55	4.5%

Data Source FIS and Bloomberg

Iron Ore

The Dec futures moved higher overnight to trade above the USD 93.00—USD 94.00 resistance zone, the intraday technical is now considered as bullish. The Asian evening session continued to see buying pressure in the market with the dec contract closing out the day at USD 96.45. The market driver is the central bank in China which has signaled possible easing measures to aid the economy's recovery after a sharp downturn in recent months fueled by a property slump (Bloomberg). For iron ore it is a positive signal for hedgers to cover in the market, margins at mill are now at RMB 703 which would suggest we are likely to see further support in the market over the coming days.

Copper

On one had we have a similar driver for copper as Iron ore, the Chinese central bank is a positive for copper also. On the other hand, we have the Peruvian Prime Minister saying four mines in the Andean region of Ayacucho would not be allowed extensions on their operational timelines given environmental concerns (Bloomberg), giving copper a double boost. After a weak start the futures have rallied higher in the U.S session with prices trading up to USD 9,750, the technical is neutral; however, if we do trade above USD 9,773 then it will be considered as bullish based on price.

Capes

The day started well for the futures with price trading higher on the open, the futures across the curve have made a higher high meaning it is considered as bullish based on price. However, momentum indicators suggest vulnerability, whilst averages would imply a lack of trend. We could be transitioning to bullish, but price has closed USD 3,250 off its high, creating a bearish rejection candle (shooting star/pinbar). Price has closed USD 1,100 below tomorrows pivot point, suggesting further downisde tomorrow. For more information on the technical please click on the link. Capesize Technical Report 22/11/21 https://fisapp.com/wp-content/uploads/2021/11/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-22-11-21.pdf

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Panamax

We got caught a little offside last week after a strong upside move in the futures broke trend resistance despite momentum being vulnerable. The paper changed the course of the physical with charterers entering the market for the simple reason there was no value in the hedge, hence the tail wagged the dog. A bullish rejection candle on the weekly chart saw the futures trade USD 1,300 above Friday's close; However, weakness in the capes filtered through to the Panamax with the Dec contract closing USD 1,500 off their high. The futures failed to trade above the USD 23,190 resistance meaning they remain vulnerable to further tests to the downside (see this morning's intraday technical). USD 19,205 is the key support to follow tomorrow, if it holds, we could move higher again, if it does not then the USD 17,250 low becomes a seller's target. Tomorrows pivot point will be at USD 22,050 whilst the Dec has closed at USD 21,550, suggesting we could see further downside on the open if it is below USD 22,050.

Supramax

Without becoming repetitive the futures have produced the same bearish rejection candle but on a smaller scale. The Dec futures closed USD 875 of their high at USD 24,250. Tomorrows pivot point will be at USD 24,541 so we still have the potential to open above it; however, if the big sisters move lower on the open then we should expect a similar sort of pattern on the Supramax.

Oil

We could be about to witness a real bull and bear fight in the coming days. We have the U.S China, India, Japan, and South Korea about to release reserves from their strategic petroleum reserves, that's your bear. In the Bull corner you have OPEC and friends saying the release of millions of barrels is unjustified by the current market conditions and the group may have to reconsider plans to add more oil production when they meet next week (Bloomberg) The futures made a lower low last week and are now showing signs of basing, bullish no, but we are now holding. The question is, who wins, the bull or the bear? Well, the diplomatic answer is that I have no Idea, but the market has rallied 1% today and I am off to fill the car up!! My near-term wave analysis based on the move up form the low on the 23/08/21 say's that OPEC win with a score of USD 91.24. Obviously in the real world the Elliott wave is a psychological footprint of the market so will have no real baring. But I'm with the bulls on this one either way!

Have a nice evening

Ed Hutton

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