

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	23750	24625	3.7%	Pmx 1 month forward	23875	24500	2.6%
Cape Q122	19000	19525	2.8%	Pmx Q1 22	23125	23750	2.7%
Cape Cal 22	22500	22975	2.1%	Pmx Cal 22	20950	21300	1.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	25075	25750	2.7%	Brent	68.94	69.2	0.4%
Smx Q1 22	23875	23700	-0.7%	WTI	65.71	66.04	0.5%
Smx Cal 22	20975	21200	1.1%	Iron ore	103.8	99.2	-4.4%

Data Source FIS and Bloomberg

Iron Ore

This technical has hung on by the skin of its teeth. Below USD 98,45 the intraday chart would have made a lower low, indicating the Elliott wave count would have failed. Somehow price has hung in there meaning the intraday remains bullish neutral. Price still has the potential to trade above USD 106.10 and seem to be getting support from the Bloomberg margins at mill which are now at RMB 928.

Copper

We noted that price had come under pressure on the back of the USD basket after Mester made some comments about the asset purchase scheme (Base morning report). We also highlighted that the 1-hour futures had created a minor divergence with the RSI. Prices have held so far today with the futures USD 52.50 higher at 17.18 GMT with price looking like it might produce an inside day candle pattern. If it does then today's hi/low will give you a range breakout level as this is a neutral pattern, historically the breakouts tend to be stronger with the trend, but it is not always the case. In the news we see the Glencore has upped its copper forecast on Katanga with mutanda coming back online (Platts). However, this will have no bearing on the immediate pricing of the futures.

Capes

Capes are back in the black with the index coming in USD 581 higher at USD 37,604. This has produced a positive response in the futures with the Dec contract up USD 1,375 to USD 35,000. We have previously noted that the move was corrective within a bullish trend with the intraday Elliot wave suggest we should trade above USD 38k. Price is now moving higher with intraday price and momentum aligned to the buy side, tomorrow's pivot will be at USD 34,250. This morning it was a wait and see approach as the close and the pivot were in line, we did dip initially, but the 32,250 low from yesterday held, resulting in a bullish close near the high of the day. Unless there is a drastic change in the physical overnight, we expect to see upside continuation in the futures.

Panamax

The Index is back in control with price USD 1,195 higher at USD 25,935. This has put the Dec contract in bull territory as we are now above the USD 26,600 high. There were warning signs on the larger technical two days back that this may happen as the Q1 and call 22 futures had broken fractal resistance, the futures will now target the daily EMA's between USD 27,268 and USD 28,572. If we move and hold above these levels than we could see a genuine shift into a bull trend. Technically bullish across the curve except for the Jan 22 contract. I must be honest, momentum is still bearish on the daily technical there, so a note of caution needed as the USD 26,600 resistance applies to the Jan on the rolling front month also.

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Supramax

The index is a steady old fox, price was coming in around the USD 130 a day and now it is around USD 300. The index is at USD 26,423 with the Dec futures up USD 200 higher on the day at USD 27,750, the Jan contract is up USD 675 at USD 25,750 meaning the spread is already starting to narrow. With the index plodding and the Dec at a premium of USD 1,300 we are unlikely to see any strong pushes from here unless there is a dramatic change in momentum on the index. The value is probably in the rolling front month, but historically the 3- and 5-year seasonality on the front Quarter does not lean to the buy-side, so again unless the physical has a strong move the futures will probably narrow the disparity but are unlikely to trade at a premium to the index.

Oil

We noted last night we were bearish but not a seller on a new low, we noted this morning that the intraday momentum was suggesting another test to the downside despite the divergence. At no point did I see a 65-handle coming. Top News, OPEC and its allies bowed to consumer pressure by proceeding with their scheduled oil-production hike but said they could revisit the decision at any moment due to the tremendous uncertainty in the market (Bloomberg). Also, in the news GS are now beating the bull drum alongside BA and JPM, I'm guessing it will be Citi tomorrow. I'm not going to mention the divergence, I'm not brave enough!

Have a nice evening

Ed Hutton