

FIS European Close

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| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 24625 | 24875 | 1.0% | Pmx 1 month forward | 24500 | 25750 | 5.1% |
| Cape Q122 | 19525 | 20250 | 3.7% | Pmx Q1 22 | 23750 | 24625 | 3.7% |
| Cape Cal 22 | 22975 | 23600 | 2.7% | Pmx Cal 22 | 21300 | 22025 | 3.4% |

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 25750 | 26750 | 3.9% | Brent | 70.47 | 70.41 | -0.1% |
| Smx Q1 22 | 23700 | 24925 | 5.2% | WTI | 67.37 | 66.81 | -0.8% |
| Smx Cal 22 | 21200 | 22225 | 4.8% | Iron ore | 99.2 | 101.9 | 2.7% |

Data Source FIS and Bloomberg

Iron Ore

Having held support yesterday the Dec contract has moved higher to close the week at USD 103.55, the futures remain in consolidation. Chinese authorities on Friday said they would step in to help China Evergrande Group deal with its crisis, after the highly indebted property giant warned it risked defaulting on a large financial obligation and sought help from its provincial government (Bloomberg). Too big to fail due to the damage it will do to the economy, by cooling the market they have revealed its fragility. They must step in of course to maintain stability, but are they setting precedent? Steel has moved higher alongside ore, but we remain a long way from a bull market, managing risk in the property sector will be interesting for the virtual steel complex going forward.

Copper

We noted the inside day candle yesterday signaled a neutral pattern that is defined by the breakout, the preference is with the trend; The futures broke to the upside with price trading to a high of USD 9.565, however the move did not hold resulting in the futures moving USD 50 lower into the European close. The weekly futures are holding the EMA support levels (30-60 period) which remain well spaced, this would suggest that if we go much lower, we could find buying support on the investor trend.

Capes

The futures moved higher today but the range was limited (Hi/Low USD 34,750—USD 35,625), the futures have turned higher, but price is yet to trade above USD 35,800, if it does our expectations based on intraday Elliott wave analysis are for the futures to trade above the USD 38,000 level. However, the index came in only USD 492 higher at USD 38,096 which resulted in a quiet afternoon. Monday's pivot will be 35,250 with the weekly pivot looking like it will be at USD 33,891, so if we do break open below USD 35,250 then that will be the first level of support. Jan will be the focus on freight next week, that trend is bearish due to the roll so it could be a tricky technical going forward due to a massive bear Gap!

Panamax

Another strong day in the index with price USD 883 higher at USD 26,818, the Dec futures responded appropriately with price trading to a high of USD 28,500, just below our EMA resistance at USD 28,556. As noted yesterday if we do brake above and hold above this level then we could see further higher pricing. Jan will be the focus next week, but so you are aware the daily chart is testing the EMA resistance bands with the RSI below 50 and the stochastic overbought. From a technical perspective this looks vulnerable.

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Supramax

No surprises in the index today with price coming in USD 318 higher at USD 26,741. The market must be expecting a momentum change here as the Dec futures have closed the day USD 1,250 higher at USD 29,000 which is at a premium of USD 2,250. Interesting. For more information on the technical side of the market please follow the link [Supramax Technical Report 03/12/21](#)

Oil

A very mixed day in the oil, a strong bullish rejection candle yesterday was followed by higher pricing for the bulk of the day. However, price started moving lower in the U.S. morning session resulting in the futures giving up the bulk of its gains, as of 18.13 (GMT) price is up USD .62 at 70.28. No real market breaking news to push the futures lower so one assumes it is down to Omicron nerves.

Have a nice weekend

Ed Hutton