FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24875	26125	5.0%	Pmx 1 month forward	25750	25000	-2.9%
Cape Q122	20250	21041.5	3.9%	Pmx Q1 22	24625	24450	-0.7%
Cape Cal 22	23600	23925	1.4%	Pmx Cal 22	22025	22000	-0.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	26750	26050	-2.6%	Brent	70.14	72.33	3.1%
Smx Q1 22	24925	25000	0.3%	WTI	66.22	68.73	3.8%
Smx Cal 22	22225	22325	0.4%	lron ore	101.9	105	3.0%

Iron Ore

Data Source FIS and Bloomberg

Iron ore has moved higher today with price trading above the USD 115.10 level that we highlighted on the morning technical report. The driver is the expectations that China's plans to ease property curbs will boost demand (Bloomberg). We have seen a price increase of USD 18.00 since Thursday, meaning we are witnessing an acceleration in price within a short period of time, implying the move is bullish impulse. Our momentum indicators on lower time frames are making new highs, this is telling us that the Elliott wave is extending, what appeared to be a wave 5 is almost certainly a wave 3. Downside moves from here should be considered as countertrend as there is now more upside in this cycle. Bullish

Copper

Copper climbed as Chinese trade data pointed to buoyant demand in the world's top commodities consumer. Gold steadied. Inbound metal shipments appear to be defying the impact of a slowing economy and Beijing's crackdown on the property sector, with copper concentrate imports rising to a record and imports of unwrought copper and copper product hitting an eight-month high. The Asian nation's exports grew faster than expected to a record on external demand and an easing power crunch (Bloomberg). The futures have traded above the USD 9,600 level meaning the intraday technical is bullish, The futures will now target the USD 9,729 level, upside moves that fail at or below this level will leave the technical vulnerable to further downisde moves, above this level the technical is neutral bearish; however our long-term Elliott wave count is missing a bullish wave 5, suggesting we could be in the early stages of it. Technically bullish on the intraday.

Capes

The index is gaining in momentum, price is USD 2,354 higher at USD 41,324. As noted yesterday the Jan-22 futures are bearish due to the roll, however momentum based on price is bullish with yesterday's close suggesting that we could move higher today which has been the case. We noted last week that the Elliott wave cycle on the Dec futures was bullish with a target around the USD 38,800 level, price has now achieved this. On the Jan futures price is USD 1,375 higher at USD 27,500, the futures tracking the index at this point, they are not closing the disparity gap. Tomorrows pivot point is at USD 27,166, suggesting we could see further upside continuation in the near-term, the base of the gap created by the roll is USD 30,500, markets like to close gaps meaning this is our near-term target. If we open below USD 27,166 then look to the physical market as there is likely to be a weakening in the fixtures. Bullish momentum based on current price action.

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Panamax

Price opened above the daily pivot point this morning but failed to trade higher with price coming under pressure midmorning. The daily technical was neutral bearish as price needed to trade above USD 26,600, which it failed to do; price has closed the day at USD 23,875, down USD 1,125. Intraday price and momentum are aligned to the sell side, if we trade below USD 23,270 then we target USD 21,800, if we hold support then we have the potential for another test to the upside, this is a key level as the RSI is at 50 whilst the stochastic is oversold. If the RSI drops below 50 and price below USD 23,270 then the technical is in trouble. The downisde move has been caused by a slowdown in momentum on the index, USD 371 higher today is a significant drop compared to yesterday, the index is still bullish based on price, below USD 26,155 it will be bearish, this number will rise tomorrow meaning we are starting to look vulnerable. USD 23,270 is the level to watch on the open.

Supramax

A stronger performance from the Index today with price USD 395 higher at USD 27,367. The Jan-22 futures did open higher with price above the USD 26,350 pivot support; however, price failed to hold with the futures remaining below the USD 27,250 fractal resistance. Technical sellers have entered the market with price closing the day USD 475 lower at USD 25,575. The RSI is now at 49 with the stochastic above 50 suggesting the USD 25,020 support could come under pressure tomorrow, if it does than then price will target the USD 24,000 fractal support. If it holds, we remain in bull territory.

Oil

We had the technical breakout level in yesterday's morning report, price traded above USD 72.62 and is now at USD 75.88. The futues pushed higher alongside equity markets today on the basis that the Omicron variant will not cause major economic damage. A second piece of stimulus from China today has also added to the risk on mood after the PBOC cut Interest rate for relending to support rural sector and smaller firms by 0.25 percentage point, effective from today, according to PBOC website.

Have a nice evening

Ed Hutton

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