

	Previous Close	Current Close	% Change
Cape 1 month forward	31375	29750	-5.2%
Cape Q322	34925	33625	-3.7%
Cape Cal 23	21825	21775	-0.2%

	Previous Close	Current Close	% Change
Pmx 1 month forward	26075	24600	-5.7%
Pmx Q322	26250	25083.5	-4.4%
Pmx Cal 23	16850	16450	-2.4%

	Previous Close	Current Close	% Change
Smx 1 month forward	28125	27250	-3.1%
Smx Q3 22	28050	26875	-4.2%
Smx Cal 23	16950	16750	-1.2%

	Previous Close	Current Close	% Change
Brent	120.57	124.08	2.9%
WTI	119.41	122.82	2.9%
Iron ore	145.81	145.88	0.0%

Iron Ore

Source FIS/Bloomberg

Iron ore wavered near its highest in a month as investors assessed the demand recovery amid caution that China may seek to stabilize the prices of raw materials. The steel-making ingredient has risen about 8% since the start of the month as China relaxes virus-related restrictions. The roll-back of curbs bode well for iron ore, which took a beating during the recent lockdowns as home sales fell and construction was halted in many places. Shanghai has started the construction of 11 key projects totaling about 12 billion yuan this week, the People Daily reported (Bloomberg). The July contract remains technically bullish with the futures now consolidating. Little has changed overnight as price remains above our key support at USD 141.29. However, above USD 146.70 we will create a second negative divergence, meaning that from a technical perspective the futures are not a buy at this point.

Copper

Copper rose amid expectations that demand will soon recover in China, the world's biggest consumer. Aluminum also climbed. The use of metals in China's manufacturing and construction industries is expected to ramp up as the nation exits pandemic-driven lockdowns. Stockpiles of copper held by the London Metal Exchange extended declines on Wednesday after their biggest tonnage drop in two decades earlier this week. "Copper is benefiting from the bank equity desks that are calling for a China reopen," said Alastair Munro, an analyst at Marex (Bloomberg). We noted a few weeks back that the Elliott wave cycle to the downside looked to have completed on the intraday, resulting in price move higher. The daily technical is now struggling to trade above the EMA resistance band, we are above it but have seen no significant follow through at this point. The intraday technical is bullish; however, above USD 9,805.50 we have the potential to create a negative divergence with the RSI; we may not, but this will need to be monitored. A similar pattern to yesterday with price selling off in the morning session before rallying into the close. Technically bullish but a note of caution above USD 9,805.50.

Capesize

The index continues to come under pressure with price USD 1,748 lower at USD 20,380, below USD 20,321 the pullback will be considered as deep meaning we will have a neutral bias. As noted on the technical report yesterday with momentum to the downside it warned that support levels could come under pressure again today, which has been the case. The July contract is tracking the index lower with price closing the day USD 1,625 lower at USD 29,750, we now target the USD 26,500 fractal support. Tomorrow's pivot point should be around USD 30,416, warning the futures have the potential to come under further pressure tomorrow if we have a weak open. Upside moves that fail at or below USD 36,015 will leave the technical vulnerable to further tests to the downside; however, if we do see a close on the 4-hour candle above USD 32,250 then resistance levels could be tested. Momentum is bearish but price is holding the USD 29,282 support.

Panamax

Another weak index today has resulted in the July contract coming under pressure, we have a technical report today but just to note, we are trading below the USD 24,750 support (double bottom). We now target the USD 22,750 level, if broken we could get messy. Panamax Technical Report 08/06/22 <https://fisapp.com/wp-content/uploads/2022/06/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-08-06-22.pdf>

Supramax

Downside momentum is increasing again with the index USD 512 lower at USD 28,436. Yesterday we noted that the futures were trading below index levels in the July contract whilst price had broken the USD 28,250 bottom, suggesting we could see potentially further technical weakness. We are going into the close at USD 27,250, if we trade below USD 26,750 on the open, my wave analysis says that we go lower, potentially as low as USD 17,425. This would suggest that any upside moves after a fractal break are probably countertrend.

Oil

Oil maintained its gains after US government data showed crude inventories in the largest storage hub and gasoline stockpiles dropped, offering little relief to concerns about a global supply crunch. West Texas Intermediate futures rose above \$120 a barrel, trading near a three-month high. Inventories at the nation's biggest storage hub at Cushing, Oklahoma, fell 1.59 million barrels last week, according to an Energy Information Administration report Wednesday. Gasoline inventories also dropped while demand rose. This week's government inventory report showed "improvement in implied gasoline demand back to 5-year averages," said Rebecca Babin, senior energy trader at CIBC Private Wealth Management. "Both technical and fundamental factors read positive this morning," she said, noting WTI appears to be holding \$120, a level it's failed to maintain over the past week (Bloomberg). The futures have broken to the upside on the inventory data with the futures trading at USD 123.86, if we hold above and close above USD 121.95 it would suggest that the USD 125.28 resistance will be broken in the coming days. Technically bullish.

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