

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	29750	29250	-1.7%
Cape Q322	33625	33000	-1.9%
Cape Cal 23	21775	21625	-0.7%

	Previous Close	Current Close	% Change
Pmx 1 month forward	24600	25375	3.2%
Pmx Q322	25083.5	25416.5	1.3%
Pmx Cal 23	16450	16700	1.5%

	Previous Close	Current Close	% Change
Smx 1 month forward	27250	27200	-0.2%
Smx Q3 22	26875	27125	0.9%
Smx Cal 23	16750	16725	-0.1%

	Previous Close	Current Close	% Change
Brent	123.58	123.45	-0.1%
WTI	122.11	121.77	-0.3%
Iron ore	145.88	143.82	-1.4%

Iron Ore

Source FIS/Bloomberg

Buying the rumour selling the fact seems to have been the play in the July futures today. Having rallied USD 25.00 in the last three weeks the futures have seen some profit after upbeat Chinese trade data today. Price is trading at USD 140.50 going into the European close having broken the USD 141.29 support. The technical is still bullish above USD 138.50, however the deep pullback means we have a neutral bias. Price and momentum are now aligned to the sell side with the RSI moving below 50, indicating that momentum is continuing to weaken on the back of the negative divergence. Upside moves that fail at or below USD 144.59 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 146.70 high. Technically neutral, the USD 138.50 fractal support is now looking vulnerable.

Copper

Copper declined along with all base metals amid Shanghai's plans to lock down part of the city, putting China's recovery from its latest coronavirus outbreak in doubt. The country's outbreak earlier this year caused base metals prices to plunge on concerns demand would be hit in the world's top consumer. Raw materials were beginning to recover last month as the tough restrictions were rolled back, but the prospect of a return is now again souring demand. The plan for the mini lockdown in Shanghai is to seal the Minhang district of 2.65 million people only for Saturday morning. Yet residents face the risk of being confined to their homes for another two weeks if any Covid infections are discovered (Bloomberg). Having consolidated for the last three session the futures have moved lower today with the intraday futures now trading within the EMA support band. We remain above the USD 9,527 level supporting a bull argument, below this level the futures will have a neutral bias. Technically bullish with price in a corrective phase, key support is at USD 9,527.

Capes

There had been talk of a positive index this morning leaving the market disappointed when we came in USD 737 lower at USD 19,643. The pullback is now considered to be deep meaning we have a neutral bias on the technical. Having opened lower, the futures found buying support on the open with the July contract trading to a high of USD 29,750, partly driven by a higher index expectation alongside a positive divergence on the 1-hour technical. However, price gave back its gains to close the day USD 800 lower at USD 28,950, meaning we have a Doji star on the daily chart. This is an indecision candle indicating that although technically bearish the market is potentially basing, if we close tomorrow above USD 29,750, we could see resistance levels be tested in the near-term. Likewise, a close below USD 28,500 will warn that the USD 26,500 support could be tested.

Panamax

Another weak index today with price USD 659 lower at USD 22,728, this did not stop the July futures from finding bid support today. The futures opened lower but traded up to USD 25,550 in the E.U morning session, price did initially sell off after the index but again found market buyers at lower levels. Technically we remain bearish having broken the USD 24,750 support yesterday, upside moves that fail at or below USD 27,454 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The technical remains bearish with key support unchanged at USD 22,750.

Supramax

The index continues to come under pressure with price USD 638 lower today at USD 27,798. The RSI on the index is making new lows but price is not, this is known as a bullish hidden divergence, it is not a buy signal but will need to be monitored. Like the rest of the base complex the July futures found buying support on the open; however, price failed to hold the upside move, resulting in the futures closing USD 50 lower at USD 27,200. Key support at USD 26,750 remains intact at this point, if broken we have expectations of lower pricing going forward. Technically bearish we continue to hold key support levels.

Oil

Oil edged lower as renewed lockdowns in parts of Shanghai threatened global demand recovery, outweighing the current supply tightness for refined products. West Texas Intermediate futures dropped as much as 1.1% to trade near \$122 on Thursday. Shanghai will implement its first major restrictions on movement since the financial hub exited a two-month shutdown at the start of June, calling into question the demand recovery in one of the world's biggest oil-consuming countries. "Crude futures are also in an 'overbought' condition and a corrective phase is definitely due," said Dennis Kissler, senior vice president of trading at BOK Financial "Prices have to take a breather at some time and the new possible COVID issues in China are assisting this morning" (Bloomberg). The trend remains technically bullish with price above all key moving averages; however, we are seeing indecision in the market with price trading unchanged on the day at USD 123.58. Yesterdays close above USD 121.95 is considered as bullish, warning that the USD 125.28 fractal resistance is vulnerable, suggesting the move today could be either profit taking, or a book rebalance after yesterday's move. Downside moves that hold at or above USD 120.53 will support a bull argument, below this level the futures will have a neutral bias, only below USD 118.55 is the intraday technical bearish.

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