



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	29375	30000	2.1%	Pmx 1 month forward	25375	26125	3.0%
Cape Q322	33000	34075	3.3%	Pmx Q322	25625	26375	2.9%
Cape Cal 23	21625	22000	1.7%	Pmx Cal 23	16650	17050	2.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	27200	28250	3.9%	Brent	122.93	120.84	-1.7%
Smx Q3 22	27125	28000	3.2%	WTI	121.4	119.4	-1.6%
Smx Cal 23	16725	17175	2.7%	Iron ore	141.6	140	-1.1%

Iron Ore

Source FIS/Bloomberg

We noted on the close report yesterday that the futures had a neutral bias having moved lower on the back of a negative divergence, indicating the USD 138.50 fractal support was starting to look vulnerable. Support has been broken resulting in the July futures trading to a low of USD 135.85, key support on the daily technical is at USD 135.74, if the futures trade below this level, then the daily technical will have a neutral bias. Technically bearish, if the USD 135.74 support is broken we target the USD 133.65 and USD 130.10 levels.

Copper

Copper extended its decline after US inflation data came in hotter than expected, paving the way for aggressive monetary tightening by the Federal Reserve. The consumer price index for May rose 1% from the month before, surpassing the median forecast by economists. Investors are concerned higher interest rates to counter decades of high inflation could lead to a global slowdown in growth, undermining demand for metals (Bloomberg). Like iron ore, the inflation data has pushed commodities and equities lower today resulting in support level being broken on the intraday copper technical, we remain bullish but with a neutral bias, below USD 9,384 we are bearish. Price and momentum are aligned to the sell side with intraday support looking like it could come under pressure soon; however, the daily technical remains bullish above USD 9,232 and neutral below.

Capesize

A positive number today in the index with price USD 22.00 higher at USD 19,665, a close above USD 21,325 will mean momentum is improving based on price. Indecision in the market yesterday has resulted in the July contract closing USD 625 higher at USD 30,000 today. The intraday technical remains bearish below USD 35,760 and neutral above, suggesting we remain vulnerable at this point; however, we have closed the right side of the linear regression line warning we could see some form of a test to the upside next week. Technically bearish but signs we are basing in the futures for now.

Panamax

Another move down in the index today with price coming in USD 402 lower at USD 22,326, however this is a slowdown compared to yesterday's USD 659. The July futures have seen buying support from the open, resulting in price trading just above the 21 period EMA, is this a bull move? With upside moves vulnerable to further tests to the downside below USD 27,454, whilst the July contract is trading at a nearly 4k premium to the index, I would suggest it is probably a short covering counter-trend move. Unless we see some strong physical fixtures next week, we are likely to see market buyers fade as selling pressure increases.

Supramax

The index continues to move lower, but like the Panamax we have seen some buying support in the market today, for more information on the technical please click on the link. Supramax Technical Report 10/06/22 <https://fisapp.com/wp-content/uploads/2022/06/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-10-06-22.pdf>

Oil

We have been bullish oil for the last few days with the expectation that the USD 125.28 resistance could come under pressure. However, CPI data has savaged the commodities sector today on the back of the rising greenback, resulting in the futures trading below the USD 120.53 support. The technical is not dead in the water, but the deep pullback has put a neutral bias on the market and warns that the USD 118.55 support could soon come under pressure. We have seen a small bounce into the E.U close with price trading USD 1.30 off the USD 119.81 low; however, with the USD basket still trading on its highs, one suspects that we could run into technical sellers if we rally much higher.

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