



European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	30000	28050	-6.5%
Cape Q322	34075	32875	-3.5%
Cape Cal 23	22000	21775	-1.0%

	Previous Close	Current Close	% Change
Pmx 1 month forward	26125	25075	-4.0%
Pmx Q322	26375	25550	-3.1%
Pmx Cal 23	17050	16675	-2.2%

	Previous Close	Current Close	% Change
Smx 1 month forward	28250	27700	-1.9%
Smx Q3 22	28000	27800	-0.7%
Smx Cal 23	17175	16900	-1.6%

	Previous Close	Current Close	% Change
Brent	121.93	123.19	1.0%
WTI	120.47	121.82	1.1%
Iron ore	140	135.15	-3.5%

Iron Ore

Source FIS/Bloomberg

The July futures continue to come under pressure with price trading below the USD 135.74 support, the daily technical although bullish has a neutral bias due to the depth of the pullback. Upside moves that fail at or below USD 141.91 will leave the futures vulnerable to a test to the downside, above this level we target the USD 146.70 high. The RSI remains below 50 with its moving average sloping to the downside, suggesting resistance levels should hold if tested (Resistance USD 138.00, USD 139.66, and USD 141.91). Technically bearish the USD 130.10 support is now looking vulnerable.

Copper

A downside move on the open resulted in the futures breaking a fractal support, meaning the intraday and daily technical has entered bearish territory. Downside moves on the daily technical that hold at or above USD 9,232 will support a longer-term bull argument, below this level the higher timeframe technical will have a neutral bias, warning the USD 9,123 and USD 8,938 support levels could be tested. Likewise, upside moves that fail at or below USD 9,611 on the intraday chart will leave the futures vulnerable to further tests to the downside. Going into the close we are trading at USD 9,240, suggesting the support could soon come under pressure. As noted on the morning technical we see this move as corrective rather than bearish, if the support is broken, we target the USD 8,938 low. Below this level would suggest the 5-wave intraday pattern that has previously completed would have to be part of a larger corrective phase. The USD basket continues to move higher suggesting bond yields remain bid due to the CPI numbers on Friday, which in turn is putting pressure on the copper futures. A point of note to be aware of the USD basket on Bloomberg (DXY Curncy) has just made a new high and with it a negative divergence. Not a sell signal it does warn that the currency basket has the potential to exhaust soon.

Capesize

The index has quickly reversed the small gain we witnessed on Friday with price coming in USD 1,038 lower at USD 18,627 today. The July futures came under pressure from the open with price trading to a low of USD 27,750 in the morning session on light volume. Post index the futures have stabilized to close the day at USD 28,000, down USD 2,000 on the day. The downside move on the open traded below USD 28,500, warning the USD 26,500 support is now looking vulnerable, if broken the futures will target the USD 23,625 and USD 21,125 support levels. Upside moves that fail at or below USD 35,505 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 39,500 high. Technically bearish based on price, the futures are trading below the daily EMA resistance band (30 – 60) warning support levels could come under pressure in the coming days.

Panamax

We are seeing a slowdown in the index, but we remain weak with price USD 259 lower today at USD 22,067. Having witnessed a two-day rally in the July contract we have seen price come under pressure from the open, resulting in the futures trading below Fridays low of USD 25,300 (current price going into the close is at USD 25,075). If we close below this level, then it would suggest that the USD 24,500 and potentially the USD 22,750 support levels could come under in the coming days. 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. Technically bearish the close today would suggest we could see further weakness tomorrow.

Supramax

Another day of weakness in the index with price USD 348 lower at USD 27,092. We are seeing a similar pattern in the SMX to that of the PMX with the futures moving lower on the open. The close is not as bearish as the PMX, but it is known as a dark cloud cover in Japanese candlesticks, warning we could see weaker pricing in the coming days. The intraday RSI remains below 50 whilst the stochastic is overbought, momentum is warning the futures are vulnerable to a test to the downside. A close on the daily chart above USD 28,500 will warn that resistance levels could be tested; however, upside moves that fail at or below USD 29,475 will leave the futures vulnerable to further tests to the downside, above this level the futures will have a neutral bias. Key support remains unchanged at USD 26,750.

Oil

Oil reversed course edging higher as crude's strong fundamentals outweighed the global markets spiraling lower on recession fears. West Texas Intermediate futures rose above \$121, erasing over \$3 of losses from earlier in the session. US inflation accelerated to a fresh 40-year high last month and traders are now betting the Federal Reserve will raise rates by three quarters of a percentage point at least once in its next three meetings. Still, oil is up almost 60% this year as rebounding economic demand coincided with a tightening market following Russia's invasion of Ukraine. The war has fanned inflation, driving up the cost of everything from food to fuels and some analysts are calling it the most bullish market they've ever seen (Bloomberg). The pullback on the CPI figures took the futures into neutral territory; however, the USD 118.55 support has held with the futures rallying hard into the European close. The intraday technical is now bullish having traded above the USD 122.43 high, meaning we now target the USD 124.40 high. Technically bullish on the daily, upside moves above USD 124.40 will target the USD 125.28 fractal resistance in the near-term, with further resistance at USD 127.27 and USD 131.30.

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