

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	30625	29250	-4.5%	Pmx 1 month forward	26625	25625	-3.8%
Cape Q322	34100	33300	-2.3%	Pmx Q322	26675	25625	-3.9%
Cape Cal 23	21975	21750	-1.0%	Pmx Cal 23	17000	16575	-2.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	29175	28450	-2.5%	Brent	121.09	120.45	-0.5%
Smx Q3 22	28750	27912.5	-2.9%	WTI	119.07	117.62	-1.2%
Smx Cal 23	17175	16875	-1.7%	Iron ore	132.75	129.25	-2.6%

Iron ore

Source FIS/Bloomberg

A mixed day in the July futures with price trading below the daily fractal this morning (USD 130.10) to take the futures into bearish territory, before moving higher in the evening session. The RSI is below 50 with its MA now flat, suggesting that momentum is starting to find a base, this is supported by the futures moving USD 3.70 off their low, to close at USD 131.85. Upside moves that fail at or below USD 140.39 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Technically bearish the market is closing the day with price and momentum aligned to the buyside.

## Copper

Nickel and aluminium rose with other base metals after China posted slightly better-than-expected figures on its economy and as traders awaited the Federal Reserve’s interest-rate decision later Wednesday. Industrial output in China rose 0.7% from a year ago in May, beating forecasts for a decline and pointing to a modest pick-up for the nation’s struggling economy. Retail sales slumped, although slightly less than anticipated, as a prolonged drop in home sales deepened (Bloomberg). The futures traded to a new low last night but created a positive divergence with the RSI, resulting in price moving higher on the Asian open. The upside move in the futures means the intraday is now bearish with a neutral bias; however, price has come under pressure in the E.U session as the market awaits the FOMC rate decision, consensus is for 75 basis points, but the USD reaction is the focus for now. Bearish neutral with price and momentum aligned to the buyside on the intraday technical.

## Capesize

The index expectation had been for USD 1,500 higher, we exceeded that with price coming in up USD 2,019 at USD 21,157. However, the July futures responded negatively, having opened supported this morning on the back of yesterdays close, the futures ran into selling pressure post index to close the day USD 1,375 lower at USD 29,250. A bullish engulfing candle yesterday has been cancelled out by a dark cloud cover candle pattern today, price still needs to close below USD 27,875 to confirm the pattern, but it is warning that we have the potential to weaken tomorrow. The intraday technical remains bearish with price below the Fibonacci resistance zone with the futures going into the close below tomorrows pivot point at USD 29,833. If we open below and hold below this level, we could see support levels be tested.

## Panamax

The index had a better day today with price USD 698 higher at USD 23,019; however, like the capes the futures have closed the day USD 1,000 lower with the July contract now at USD 25,625. Also like the capes we have a dark cloud cover candle pattern. For more information on the technical please follow the link. Panamax Technical Report 15/06/22 <https://fisapp.com/wp-content/uploads/2022/06/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-15-06-22.pdf>

## Supramax

The index is USD 34 higher today at USD 26,997 but needs to close above the USD 27,411 level for momentum to be aligned to the buy-side. A full house of negativity in the freight with the July contract moving USD 725 lower, to close at USD 28,450. A bullish overtaking candle yesterday had warned of higher pricing today (I used to be good at this), resistance levels were tested on the open resulting in the futures on the intraday having a neutral bias, however support levels are looking vulnerable going into the close. Downside moves that hold at or above USD 27,850 will support a near-term bull argument, below this level the futures will target our key support at USD 26,750. Technically bearish with a neutral bias, the RSI is still above 50 with its MA sloping upwards, warning support levels have the potential to hold if tested in the short-term.

## Oil

Oil edged lower after a US government report showed signs of demand slipping ahead of a Federal Reserve meeting where the bank is set to sharply hike interest rates. West Texas Intermediate traded under \$118 in a choppy session as markets digested several headlines. US crude production hit 12 million barrels a day for the first time since the start of the pandemic, while gasoline demand edged lower and is trailing seasonal norms. The Fed is expected to boost interest rates by 75 basis points when it meets later Wednesday (Bloomberg). Having soared like a phoenix for most of yesterday the futures eventually lost their battle with the USD, resulting in the intraday technical entering bear territory (1-hour). Price held up in the Asian open but has since moved lower with the futures reacting nervously before the Fed rate decision in 35 minutes. The daily technical is bullish above USD 112.36 but currently in a corrective phase with price USD 1.30 lower at USD 119.85. All eyes on the USD!

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