



# European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	27500	24250	-11.8%	Pmx 1 month forward	24125	22050	-8.6%
Cape Q322	30250	27875	-7.9%	Pmx Q322	24250	22600	-6.8%
Cape Cal 23	19600	18800	-4.1%	Pmx Cal 23	15575	15187.5	-2.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	27000	25750	-4.6%	Brent	114.65	111.36	-2.9%
Smx Q3 22	27087.5	25750	-4.9%	WTI	110.65	106.03	-4.2%
Smx Cal 23	16050	15750	-1.9%	Iron ore	114.91	108.14	-5.9%

Iron ore

Source FIS/Bloomberg

Iron ore extended its rout, with China's pro-growth policies failing to assuage a market more fearful of a glut of steel amid signs that global demand is slackening. Futures in Singapore have lost about a quarter of their value over the past two weeks as the Chinese economy struggles to emerge from its virus-induced paralysis and government spending fails to fully offset the continued downturn in the property sector. Weak demand is affecting China's steel producers. At least 18 blast furnaces now have gone into planned maintenance, according to a note from local consultant Mysteel Global, tripling from just six days ago, with molten iron output falling by 54,300 tons a day (Bloomberg). The futures traded to a low of USD 106.65 before catching a bid in the afternoon session after Powell commented the U.S economy was strong enough to withstand the coming rate hikes, causing the USD to weaken. The July contract looks to be on an extended wave 3 to the downside, suggesting any upside moves now are potentially countertrend. Technically bearish.

Copper

Base metals resumed declines -- with copper falling to a 15-month low and tin tumbling -- on mounting concerns about a global downturn. Demand fears are increasing as rapid rate hikes portend a sharp slowdown in the US, while China still struggles to put the coronavirus behind it. The probability of the world economy succumbing to a recession is nearing 50%, according to Citigroup Inc., while China's finance minister said more pro-growth policies were being considered (Bloomberg). The futures moved lower on the open with the downside moves below USD 8,830 creating a positive divergence with the RSI, warning that we had the potential for a momentum slowdown. For this reason, we did not consider the futures a technical sell on a new low in our morning report. Price has traded to a low of USD 8,656, with the intraday divergence looking like it may have failed, the RSI is still on support but the buy-side argument is now fading. The intraday futures will now need to trade above USD 9,062 to be considered as bullish. Technically bearish, there is no divergence, but the RSI is on support, suggesting a note of caution still.

Capesize

Another bad day for the index with price USD 3,047 lower at USD 19,430. As noted on the technical report yesterday, the break in the USD 26,500 fractal support warned that the USD 23,625 and USD 21,125 support levels were now vulnerable. The July contract is USD 3,500 lower today having traded to a low of USD 23,625! Technically bearish, if we trade below the USD 23,625 support then we could see the USD 21,125 level coming under pressure soon. Tomorrow's pivot will be around the USD 24,416 level; however, this technical remains vulnerable to further tests to the downside providing we do not trade above USD 29,582, which is a lot of wiggle room.

## Panamax

A technical for you in the Panamax today, I am not going to spoil your fun other than saying the rolling front month just took out a very important support level. Panamax Technical Report 22/06/22 <https://fisapp.com/wp-content/uploads/2022/06/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-22-06-22.pdf>

## Supramax

The index remains in a holding pattern with price USD 46 higher today at USD 27,225. However, the July contract followed the rest of the freight complex lower, with the futures closing the day at USD 25,750, down USD 1,250. As noted yesterday, the break in the USD 26,750 fractal support warned that we could expect to see further technical weakness, which has been the case. Downside moves below USD 25,750 will target the USD 24,737 and USD 23,875 support levels, whilst upside moves that fail at or below USD 28,225 remain vulnerable to further downside moves. Corrective moves higher are considered as counter-trend due to the break in fractal resistance alongside the daily RSI making new lows. However, the intraday RSI is in divergence warning we may be a little overextended to the downside at this point.

## Oil

Oil clung to losses amid growing concerns that a global economic slowdown will ultimately hobble demand. West Texas Intermediate earlier tumbled below \$102 a barrel before paring losses as equity markets recovered and the dollar fell. Investors are worried about the impact of sharply higher US interest rates. Federal Reserve Chair Jerome Powell made his most explicit acknowledgement to date in front of lawmakers Wednesday that steep rate hikes could tip the economy into recession (Bloomberg). The futures came under pressure on the Asian open with the Brent contract trading to a low of USD 107.03. However, we are seeing the futures find buying support after Powell's comments that the US economy is strong enough to handle the rate hikes. Equities have gone bid whilst the USD has softened; however, this technical remains vulnerable below USD 113.07 with the intraday needing to trade above USD 116.25 to be bullish. Technically bearish but moving higher, making USD 113.07 the key near-term level to focus on.

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