

	Previous Close	Current Close	% Change
Cape 1 month forward	26000	23925	-8.0%
Cape Q322	29250	27825	-4.9%
Cape Cal 23	19325	19075	-1.3%

	Previous Close	Current Close	% Change
Pmx 1 month forward	23450	21875	-6.7%
Pmx Q322	23450	22487.5	-4.1%
Pmx Cal 23	15300	15100	-1.3%

	Previous Close	Current Close	% Change
Smx 1 month forward	26875	25500	-5.1%
Smx Q3 22	26750	25675	-4.0%
Smx Cal 23	16075	15775	-1.9%

	Previous Close	Current Close	% Change
Brent	109.83	112.35	2.3%
WTI	104.03	106.81	2.7%
Iron ore	117.85	114.35	-3.0%

Iron ore

Source FIS/Bloomberg

Iron ore is on course to end the week lower, with a rising number of idled Chinese steel plants and swelling inventories seen as signs of stagnant demand. Prices of the steel-making material fell on Friday after closing the previous session more than 7% higher, indicative of a trading week beset by wild swings. Steel inventory levels in mid-June were 30% higher than a year ago, even though crude steel production was lower than in the same period last year. More steel mills have gone dark in recent weeks, portending more downward pressure on iron ore (Bloomberg). The futures are down on the week but have seen buying support in the last day or so, with the July contract trading to a high of USD 119.10. However, we remain bearish on the wave cycle and believe the last move down was an extended wave 3 (Elliott Wave), meaning upside moves should be considered as countertrend at this point.

### Copper

Copper headed for its steepest weekly loss in a year as global recession fears mount, damping the outlook for demand and battering commodities from oil to metals. Often seen as a barometer for economic growth, copper extended its weekly slump to as much as 9.4%. All base metals slid Friday, with tin heading for the biggest weekly drop ever (Bloomberg). The divergence failure signaled that the futures had the potential for more downside which has been the case, with price trading below out USD 8,258 support, to a low of USD 8,122.50 today, before rallying a little into the E.U close. Technically bearish, Elliott wave analysis would suggest upside moves are countertrend.

### Capesize

Technically bearish yesterday with resistance levels expected to hold if tested. The bullish close had warned that we could trade into the resistance zone; however, price opened supported but came under pressure just after the EU open, with the futures trading to a low of USD 23,925, down USD 2,075 on the day. The index had given a ray of hope yesterday but failed to follow through today with price USD 186 lower at USD 19,875, in term of disparity/carry we are probably fairly priced, the big question is where will Germany get their coal from, and how many ton miles will they be taking out? We remain bearish in the cape futures, but unlike the Pmx and Smx the futures, the capes are holding above key support levels for now; however, if we go below USD 20,000 in the fronts, it could start getting very messy. Ironically this was the same key support for bitcoin, which is a worryingly similar chart to the Capesize, unfortunately, bitcoin broke support last week. I guess that at least when you trade freight there a big hunk of metal involved, rather than some tech wizard lying to you that his monopoly money is recession resistant!

## Panamax

Another weak index today with price USD 338 lower at USD 22,918, resulting in what is technically known as a dead cat bounce in the July futures. The inside day pattern broke to the downside with the futures USD 1,575 lower at USD 21,875, meaning the futures are back trading below index values. We maintain a bearish view on the futures with upside moves considered to be countertrend at this point. Near-term support is now at USD 21,125.

## Supramax

The index continues to weaken with the futures moving lower alongside the rest of the freight sector. We maintain a bearish view with upside moves considered countertrend. For more information on the technical please follow the link. Supramax Technical Report 24/06/22 <https://fisapp.com/wp-content/uploads/2022/06/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-24-06-22.pdf>

## Oil

Oil jumped after a reading on US consumer inflation expectations was revised lower, adding optimism to crude's demand outlook. West Texas Intermediate traded above \$108 a barrel, erasing much of this week's loss. Friday's rally comes as the University of Michigan's final June reading of longer-term consumer inflation expectations settled back from an initially reported 14-year high, potentially reducing the urgency for steeper Federal Reserve interest-rate hikes (Bloomberg). An inside day in the futures yesterday has broken to the upside, resulting in price trading above the USD 113.07 resistance. Technically we remain bearish, but with a neutral bias; if we trade below USD 110.63 then the intraday 1-hour technical will be bearish again, only above USD 116.19 will the futures be bullish.

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