

# FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	22375	22625	1.1%	Pmx 1 month forward	21825	20500	-6.1%
Cape Q322	27050	26825	-0.8%	Pmx Q322	22300	21150	-5.2%
Cape Cal 23	18762.5	19025	1.4%	Pmx Cal 23	15000	14625	-2.5%

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Smx 1 month forward	25750	24500	-4.9%	Brent	115.55	117.73	1.9%
Smx Q3 22	25500	24500	-3.9%	WTI	109.81	111.76	1.8%
Smx Cal 23	15700	15275	-2.7%	Iron ore	119.7	123.5	3.2%

Iron ore

Source FIS/Bloomberg

Iron ore reversed losses to trade near \$125 a ton after China eased its quarantine rules for new arrivals in a sign it might be relaxing its strict approach to controlling the virus. The steel-making ingredient rose around 4% after being firmly lower earlier in the session. Beijing cut the time travelers must spend in isolation in half, the biggest shift yet in a pandemic policy that has left the world's second-largest economy isolated as it continues to try and eliminate Covid-19. This is "definitely positive news," but the market fundamentals for iron ore haven't really changed, said Richard Lu, a senior analyst at CRU International Ltd. "A potential overreaction on the back of speculative buying may ultimately hand back gains that cannot be justified by fundamental improvement." (Bloomberg). The sentiment move to the upside has resulted in the July futures traded above the USD 125.06 resistance, meaning the technical although bearish has a neutral bias. Elliott wave analysis would suggest this upside move is countertrend; however, it is important to note that this is based on the psychology of the market, suggesting caution as this could have changed due to the restrictions easing. Downside moves below USD 116.40 will warn that the USD 112.95 and USD 106.55 support levels could be tested. Likewise, upside moves above USD 134.55 will create a higher high and be considered as bullish. Technically bearish but with a neutral bias.

Copper

The futures traded higher on the same sentiment push in copper, however the upside move failed below the intraday EMA resistance band with the futures trading small down into the European close. Technically we remain bearish with upside moves considered countertrend at this point, corrective moves higher that fail at or below USD 8,742 will leave the futures vulnerable to further tests to the downside. Price and momentum remain aligned to the buy-side going into the close, however based on the current price (USD 8,392), tomorrow's pivot point will be at USD 8,421, if the pivot stays around these levels and we open below it on the open, we could see support levels come under pressure. We need the close to be confirmed first though! Technically bearish, price is trading back in the channel that is illustrated on the morning chart.

Capesize

Another bearish index today with price moving USD 1,487 lower at USD 17,849. However, we have seen buying support going post index with the July futures reversing early losses to close the day USD 250 higher at USD 22,625 which is USD 2,000 of its low. The August futures have just been paid at the USD 27,000 which is over 9k carry to the index, we have seen this carry as high as 16k this year but based on current market conditions it looks optimistic. Upside moves in the July contract that fail at or below USD 26,625 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Price and momentum are conflicting going into the close; however, tomorrow's pivot point should be above USD 22,041, if we open above this level, it will be aligned to the buy-side, warning resistance levels could come under pressure in the near-term. Technically bearish with price and momentum looking like they will be aligned to the buy-side tomorrow, our intraday Elliott wave analysis would suggest that upside moves look to be countertrend at this point.

## Panamax

Another weak index today with price USD 778 lower at USD 21,756 has seen the July futures close USD 1,325 lower at USD 20,500. Technically we remain bearish, but price is holding into the close; we are not seeing bullish price action yet, but the RSI is now on support whilst the capes are moving higher, warning we could be a little overextended to the downside in the near-term. Intraday Elliott wave analysis would suggest that upside moves will be countertrend at this point with key resistance in the wave cycle at USD 24,645, this is above the USD 23,625 fractal resistance. Technically bearish with upside moves considered as countertrend based on our wave analysis.

## Supramax

Weakness is increasing on the index with price USD 260 lower at USD 26,572, momentum based on price is now aligned to the sell side. A bad day in the futures with the July contract closing the day USD 1,250 lower at USD 24,500. Technically bearish we did see some small support into the close with price USD 750 off their lows. However, the technical remains bearish with intraday Elliott wave analysis suggesting that upside moves should be considered as countertrend at this point. Although technically bearish but continue to see a positive divergence with the RSI, warning we could be a little overextended to the downside in the near-term.

## Oil

Oil rose for a third day as global output threats compound already red-hot markets for physical supplies and China cut its quarantine time for new arrivals. West Texas Intermediate futures rose to trade near \$110, while the most notable moves in recent days have been in more specialist market gauges. A contract known as the Dated-to-Frontline swap -- an indicator of the strength in the key North Sea market underpinning much of the world's crude pricing -- hit a record of more than \$5 a barrel. The rally comes amid growing supply outages in Libya and Ecuador, exacerbating ongoing market tightness (Bloomberg). The close in the futures above USD 114.45 yesterday signaled that momentum was improving based on price, warning that resistance levels could be tested. The futures traded above the USD 116.25 high meaning the intraday technical is now bullish. Near-term fractal resistance on the daily chart is between USD 125.19 – USD 125.28, this will now be an upside target for market buyers. Technically bullish, downside moves that hold at or above USD 110.80 will support a bull argument, below this level the technical will have a neutral bias.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

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