

	Previous Close	Current Close	% Change
Cape 1 month forward	26900	26750	-0.6%
Cape Q422	26000	25750	-1.0%
Cape Cal 23	18525	18375	-0.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	20875	19375	-7.2%
Pmx Q422	19625	18425	-6.1%
Pmx Cal 23	14300	13600	-4.9%

	Previous Close	Current Close	% Change
Smx 1 month forward	23500	22000	-6.4%
Smx Q4 22	19800	18675	-5.7%
Smx Cal 23	15200	14525	-4.4%

	Previous Close	Current Close	% Change
Brent	102.77	99.95	-2.7%
WTI	99.5	96.82	-2.7%
Iron ore	112.51	111.2	-1.2%

Iron ore

Source FIS/Bloomberg

The August futures traded to a new low in the Asian day session with price printing down to USD 106.45. The new low has created a positive divergence with the RSI, this also means the minimum requirement for Elliott wave phase completion has been achieved. Upside moves that trade above the USD 113.40 will create an intraday high, confirming that we have seen phase completion, warning that upside resistance levels could be tested. Technically bearish, the divergence will now need to be monitored. Key resistance is at USD 113.40.

### Copper

Demand for copper, a leading economic indicator, plummeted on Wednesday in the latest signal that a global slowdown is already tipping towards a recession. Prices fell nearly 5% to less than \$7,500 a ton, hitting a near 20-month low as commodities across the board retreated amid a malaise in sentiment. "There is no bullish news at the moment, really," Fan Rui, an analyst with Guoyuan Futures Co. told Bloomberg. "Europe, US are facing risks of recessions and can hardly contain inflation, which will lead to monetary tightening that is bearish for copper, while in China, the economy is facing a double blow from the flare-up of new cases and a weaker-than-expected demand recovery." (Bloomberg). We noted yesterday that divergences were starting to fail, the RSI went first, followed by the MACD in the early Asian session. This means we are seeing wave extension, implying that upside moves should now be considered as countertrend. Key resistance is at USD 8,114, upside moves that fail at or below this level will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Near-term support is at USD 7,215, below this level we target the USD 6,855 level.

### Capesize

The index continues to go down, but we are seeing a momentum slowdown, with price only USD 695 lower at USD 16,588 today. The downside move in the index has been mirrored by the August futures which are USD 600 lower at USD 26,300. The technical remains bullish but in a corrective phase with price now trading in the Fibonacci support zone; downside moves that hold at or above USD 23,897 will support a bull argument, below this level the technical will have a neutral bias. Technically bullish but in a corrective phase, moving averages are flat indicating a lack of trend in the intraday market, whilst the carry continues to hold around the USD 10k levels. For the futures to move higher we are going to need to see some firmer fixings from the physical market going forward.

## Panamax

Another weak index today with price USD 695 lower at USD 19,934. We have had a bearish view on the Panamax and Supramax contracts since the middle of May based on our wave cycles, and this remains the case. However, the futures made new lows today and this has created a positive divergence with the RSI and our MACD, this is not a buy signal, but it does warn that we have the potential for a momentum slowdown. This also means the minimum requirement for cycle/phase completion has been achieved. Note, divergences can and do fail (see base metals on that one), we have a potential downside target at USD 17,111, if achieved the divergences could well fail. Technically bearish, upside moves that fail at or below USD 22,171 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias, the divergence will now need to be monitored as it is only marginal on the RSI.

## Supramax

A trio of bearish index's today with price USD 205 lower at USD 24,712. As you would expect this has had a negative effect on the August contract with the futures another USD 1,500 lower at USD 22,000. The downside move in the futures today means the intraday divergence has failed, I think the move we are seeing is an extended wave 3 as the as the upside move to USD 25,500 does not look deep enough for my wave analysis. What does this mean? That upside moves should be considered as countertrend at this point. There is now divergence, but the RSI at 29 on the intraday is starting to look overextended, warning market shorts should be cautious around these levels.

## Wet Freight

A couple of wet freight technical reports today.

TD3C Q4 22 <https://fisapp.com/wp-content/uploads/2022/07/FIS-Technical-Tankers-q4-22-06-07-22.pdf>

TD3C Cal 23 06/07/22 <https://fisapp.com/wp-content/uploads/2022/07/FIS-Technical-Tankers-Cal-23-06-07-22.pdf>

## Oil

The outlook for oil demand likely will see further downward revisions amid higher fuel prices, said Ed Morse, global head of commodity research at Citigroup Inc. "Almost everybody has reduced their expectations of demand for the year," Morse said in a Bloomberg Television interview Wednesday. Citigroup reduced its forecast by about a third to 2.4 million-2.5 million barrels a day, like the US Energy Information Administration and the International Energy Agency. "Demand is simply not growing on an empirical basis to the degree that people had expected (Bloomberg). We noted on the technical report this morning that momentum indicators were warning that upside moves should be considered as countertrend with the RSI/Stochastic combination warning we were vulnerable to another test to the downside. Price has moved lower with the futures trading to a low of USD 98.50 coming into the E.U close. The technical is bearish but the 1-hour chart is showing a bullish divergence with the RSI. Not a buy signal as they can and do fail at times, it is warning that we have the potential for a momentum slowdown.

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