

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	27750	25500	-8.1%	Pmx 1 month forward	18525	17150	-7.4%
Cape Q422	26125	25375	-2.9%	Pmx Q422	18125	17650	-2.6%
Cape Cal 23	18500	17950	-3.0%	Pmx Cal 23	13675	13425	-1.8%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	21250	20125	-5.3%	Brent	106.41	99.85	-6.2%
Smx Q4 22	18550	17875	-3.6%	WTI	103.46	96.23	-7.0%
Smx Cal 23	14150	13750	-2.8%	Iron ore	113.4	105.15	-7.3%

Iron Ore

Source FIS/Bloomberg

Iron ore prices tumbled to a seven-month low, with its demand outlook hit by fears that China may again implement strict Covid-19 restrictions at a time when the nation's steel use is waning. Prices in Singapore of the steel-making ingredient, which have plunged by more than a third in the past four months, continue to be pressured. Market watchers are monitoring the government's response as the daily virus caseload in Shanghai grows, topping 50 for the fourth straight day. A more contagious sub-strain of the omicron variant has triggered additional mass testing amid the flareups (Bloomberg). As noted yesterday the onshore Elliott wave cycle remained bearish warning the August offshore futures could trade below the USD 106.45 support in the Asian day session. Price traded to a low of USD 104.10 but has found buying support in the evening session with the futures closing the day at USD 107.30. Upside moves that fail at or below USD 111,75 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The futures are currently between the 8-21 period EMA's but the 4-hour RSI remains below 50. Technically bearish with the futures testing EMA resistance.

Copper

Goldman have cut their copper outlook resulting in the futures moving lower today. As noted on the morning report, upside moves should be considered as countertrend, as the intraday Elliott wave cycle looks to still be on an extended wave 3. Price is USD 223.5 lower at USD 7,361, downside moves below USD 7,291.5 have the potential to create a positive divergence with the RSI, not a buy signal it does warn we could see a momentum slowdown. Technically bearish, upside moves are considered as countertrend, the divergence will need to be monitored.

Capesize

The index has reversed recent gains with price coming in USD 958 lower at USD 18,655, if we close tomorrow below USD 18,552 then momentum will be seen to be weakening based on price. The futures drifted lower on low volume in the August contract yesterday but came under heavier pressure today, with price closing the day USD 2,250 lower at USD 25,500, meaning we are testing the 50% Fibonacci support at USD 25,437. Key support remains unchanged at USD 23,897, below this level the technical has a neutral bias. The futures remain in a corrective phase with today's candle being a bearish Marubozu candle (opened on its high and closed on its low), warning we could see support levels coming under pressure tomorrow.

Panamax

Relentless selling pressure continues with the index USD 679 lower at USD 17,531. Technically bearish the futures failed to open above the daily pivot point with the downside move pushing the RSI to new lows, meaning the positive divergence that we have been monitoring has now failed. The technical remains bearish with the futures trading down to our USD 17,111 near-term target, if we trade much lower then we will be looking at wave extension. At this point we are cautious as we have not seen confirmation of a wave extension yet, meaning the futures are not considered a technical sell at these levels. If, however we move lower tomorrow on the open, that might change.

Supramax

The index had been slowing down yesterday however we came in today USD 323 lower at USD 23,349. For more information on the technical please click on the link. Supramax Technical Report 12/07/22 <https://fisapp.com/wp-content/uploads/2022/07/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-11-07-22.pdf>

Oil

Oil tumbled as concerns about a global economic slowdown and growing Covid-19 cases in China reduced risk appetite among traders. West Texas Intermediate lost as much as 8% to slip under \$96 a barrel. Rising virus cases in China and looming US inflation data are stoking concerns about demand. Meanwhile, dwindling liquidity is also exacerbating price moves while money managers turned more bearish on the main oil benchmarks last week, cutting their net-long positions to the lowest since 2020 (Bloomberg). Yesterday we noted that the Elliott wave cycle was bearish with upside moves considered as countertrend, warning the USD 98.50 low was looking vulnerable. Price moved higher into the U.S close before trading around USD 7.50 lower to USD 99.47. We maintain our view that the USD 98.50 low is vulnerable, using the William's approach we have a potential downside target at USD 91.11.

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