

	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

The CPI figure in the U.S resulted in the futures trading down to but not below the USD 104.10 low. However, as quick as we moved down the market found buying support in the August contract due to the intraday futures looking like they were about to produce a bullish divergence. In term of support, we see USD 103.00 as an area of interest as the futures consolidated around this level in 2020 and created two fractal support just above this area in 2021. It is not a big level, but if it is broken there is a bit of a gap down to USD 93.00 – USD 92.00. Now this is a key zone that market buyers will look to support, as it is one of the most heavily traded areas in the last 5 years. Technically bearish, the intraday divergence will need to be monitored. Big Data Day on Friday morning so activity may be quiet until then.

Copper

Copper fell for a fourth day as US inflation accelerated at the fastest pace in more than 40 years, overshooting estimates and reinforcing expectations that the Federal Reserve will respond with another big interest-rate hike. Prices for the metal viewed as an economic bellwether fell as much as 2.6% after US consumer prices rose 9.1% year-on-year in June, in a broad-based advance that was the largest gain since the end of 1981. The figures reaffirm that price pressures are rampant and widespread throughout the economy and continue to sap purchasing power and confidence. Bank of America Corp. economists forecast a “mild recession this year” in response to the inflation data (Bloomberg). Technically bearish with the futures below all key moving averages, the futures spiked to the downside on the back of the CPI figures, but like iron ore and the equity markets we recovered the immediate loss. Technically bearish there is quite a strong divergence with the RSI that will need to be monitored as it is warning we have the potential to see a momentum slowdown soon.

Capesize

A better day in the index with price rising USD 703 to USD 19,358. Yesterday the August futures produced a bearish [Marubozu candlestick](#), warning that support levels could come under pressure. However, like a phoenix rising from the ashes, the futures opened the day bid and never looked back, produced a countering bullish Marubozu candlestick with price closing above the high of yesterday’s low candle. Technically bullish but in a corrective phase in recent days, price has held key support but now needs to trade above the USD 29,500 fractal resistance. We had USD 23,897 as a key support which is currently holding, if we move much below that level the technical will start having some issues as we have the potential to gap to USD 20k.

Panamax

The physical market continues to come under pressure resulting in the index coming in another USD 792 lower today. However, the futures markets are looking a little overextended down at these levels, from a technical perspective they are not a sell right now. A big level in August to follow is USD 16,600, if we start trading below this level then the rolling front month contract will appear to be extending the Elliott wave cycle to the downside. At this point we will start getting our bear hat back out of the draw. For more information on the technical please follow the link. Panamax Technical Report 13/07/22 <https://fisapp.com/wp-content/uploads/2022/07/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-13-07-22.pdf>

Supramax

Like the Panamax the Supramax index continues to come under pressure with price USD 504 lower at USD 22,845. The August futures sold off on the open, creating a positive divergence with the RSI, which was above its moving average, warning that momentum was slowing down. The futures moved USD 1,000 higher to close the day at USD 20,500. Technically the trend is bearish, but the futures are not considered a technical sell at this point.

Oil

Oil Struggles to Find Direction After This Week's Selloff

Energy prices contribute to nearly half of US inflation gains

Gasoline inventories rose 5.8 million bbls last week: EIA By Julia Fanzeres and Alex Longley

Oil took its cues from broader markets, swinging back and forth as traders digested US government reports showing that inflation is starting to impact consumer habits. West Texas Intermediate was volatile following the previous session's selloff, rallying briefly above \$97 a barrel as Wall Street bounced off its lows. Government figures showing the highest inflation in decades and an unseasonable drop in gasoline demand capped market strength. US gasoline stockpiles rose 5.8 million barrels last week, the most since January, according to the Energy Information Administration (Bloomberg). Two interesting points to cover from this article, firstly, we are bearish; secondly, if I am right then inflation pressure could ease a little here. If I remember rightly, back in 2008/9 the Obama administration issued a stimulus package of over USD 700 billion. However, in terms of stimulus this was dwarfed by the economic benefit of oil dropping from USD 147.50 to USD 36.20. Now, this isn't 2008, and I am not calling the market that low, but is this Elliott wave cycle plays out then we target 91.20 in the near-term. If this happens, in terms of support, I think the CTA's will look to test the USD 85.00 level to see how resilient the market it, and potentially even USD 75.00. Big calls, so I will need to keep a cloth handy to wipe the coming egg of my face when Putin turns the taps off!! Bearish, if we don't hold these levels there could be another big move to the downside to come.

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