

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	30000	27500	-8.3%	Pmx 1 month forward	19375	18050	-6.8%
Cape Q422	27750	26750	-3.6%	Pmx Q422	19425	18750	-3.5%
Cape Cal 23	19075	18987.5	-0.5%	Pmx Cal 23	14150	14050	-0.7%

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Smx 1 month forward	23000	22500	-2.2%	Brent	101.13	105.56	4.4%
Smx Q4 22	19875	19375	-2.5%	WTI	97.57	101.48	4.0%
Smx Cal 23	14900	14800	-0.7%	Iron ore	96.15	100.9	4.9%

Iron Ore

Source FIS/Bloomberg

Iron ore's brutal decline that saw it tumble nearly 15% last week has been halted, after reports emerged that China's government has stepped in to resolve the wave of homebuyers' defaults that sent shockwaves across the economy. Reports that authorities are weighing in and guiding banks to ease credit flows to property developers saw prices of the steel-making material rise as much as 4.7% on Monday, topping \$100 a ton again. The rally comes after mortgage defaults hit demand prospects for steel last week, bringing iron ore prices below \$100 for the first time in seven months (Bloomberg). The futures are moving higher on the back of the positive divergence with the RSI, with price trading at USD 102.40 into the close. Upside moves that fail at or below USD 108.86 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Some buying pressure in the evening session has pushed the futures up to new highs for the day, suggesting we could look to test the USD 106.75 – USD 108.86 resistance tomorrow. If the futures do come under pressure and trade below USD 99.25 then the USD 95.50 support will look vulnerable.

Copper

Copper extended its recovery from last week's slump below \$7,000 a ton, supported by a softening dollar and renewed efforts to stabilize China's real estate sector. Prices bounced as much as 3.8% in London trading, clawing back some of last week's heavy losses as Chinese regulators sought to defuse a growing consumer boycott of mortgage payments by urging banks to increase lending to developers so they can complete unfinished housing projects (Bloomberg). A strong move today with price USD 231 higher. However, we remain below the USD 7,607 resistance with the RSI below 50 whilst the stochastic is overbought, momentum is warning that the futures are vulnerable to a test to the downside. Upside moves above USD 7,607 will indicate the futures have a neutral bias. Technically bearish, intraday Elliott wave analysis would suggest this upside move has the potential to be countertrend.

Capesize

The index disappointed today with price only USD 394 higher at USD 24,603. We noted on the morning technical that the downside move on the open warned that support levels had the potential to come under pressure. The futures have traded below our USD 27,900 support, meaning the USD 25,500 level is starting to look vulnerable, as the RSI has moved below 50 whilst the stochastic is now below 70. Technically bullish but in a corrective phase, the downside move today had little buying support, warning we could see lower pricing tomorrow.

Panamax

We believe this upside move is potentially part of a higher timeframe wave four, suggesting in theory the upside move should be greater in time and price than recent upside moves. However, on the morning technical we highlighted that price was testing a resistance zone with momentum indicators warning that futures were vulnerable to a test to the downside. The futures moved lower in the morning session but came under further pressure when the index came in USD 123 lower at USD 15,510, meaning the basis between the paper and the Aug contract remained unattractive. The futures have closed the day USD 1,250 lower at USD 18,125. Technically bearish, downside moves that hold at or above USD 17,602 will support a bull argument, below this level we target the USD 16,625 low.

Supramax

The index is slowing down with price USD 18.00 lower at USD 22,406 today. However, the upside move in the August futures has failed below the USD 23,460 resistance, leaving the technical vulnerable to a test to the downside. If we hold above the USD 20,690 level it will support a near-term bull argument, if broken we target the USD 19,500 fractal support in the near-term, with a potential downside target as low as USD 16,820. Intraday Elliott wave analysis supports a downside move.

Oil

Oil resumed trading above \$100 after the Saudis declined to make any promises regarding future output increases. A weaker dollar also helped put wider commodity markets on firmer footing. West Texas Intermediate added as much as 4.9%, aided by general risk-on sentiment that rallied broader markets. Saudi ministers insisted at the conclusion of President Joe Biden's visit last week that oil policy decisions would be dictated by market logic and with coalition agreement. Iraq's oil minister told Bloomberg he sees oil trading above \$100 for the rest of the year (Bloomberg). On paper this upside move is countertrend based on our wave analysis, upside moves that fail at or below USD 111.60 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The Elliott wave is bearish, supporting a countertrend move; however, this is based on the psychological footprint of the market, with Gazprom calling force majeure on some European gas buyers (Bloomberg) it is evident the energy markets remain in balance against a wider economic slowdown. Technically bearish but keep an eye on the changing geopolitical footprint as nothing is certain in this market.

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