

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	27500	25750	-6.4%	Pmx 1 month forward	18050	19075	5.7%
Cape Q422	26750	25750	-3.7%	Pmx Q422	18750	19300	2.9%
Cape Cal 23	18987.5	18400	-3.1%	Pmx Cal 23	14050	14125	0.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	22500	23450	4.2%	Brent	105.69	106.8	1.1%
Smx Q4 22	19375	19925	2.8%	WTI	102.09	103.72	1.6%
Smx Cal 23	14800	15075	1.9%	Iron ore	100.9	96.8	-4.1%

Iron Ore

Source FIS/Bloomberg

Iron ore returned below \$100 a ton and most base metals retreated as China tackled mortgage boycotts and rising Covid infections, and BHP Group added to warnings on global growth. Futures for the steel-making material have wavered around \$100 since plunging below the key threshold last week for the first time in seven months. While Beijing is taking measures to ease the latest flare-up of risks in the property sector, authorities across the country are grappling with rising Covid cases (Bloomberg). Buying pressure in the evening session yesterday had warned that we could test the USD 106.75 – USD 108.86 resistance levels; however, the upside moves failed at USD 103.20 with price trading below the USD 99.25 support, meaning the USD 95.50 fractal low did come under pressure. Technically bearish, downside moves below USD 95.50 will target the USD 92.95 level; however, a new low will create an intraday positive divergence, not a buy signal it will need to be monitored.

Copper

Mining giant BHP Group has joined rival Rio Tinto Group in signalling more turbulence to come for commodities producers as costs balloon and demand for everything from iron ore to copper hits headwinds. The world's biggest miner warned Tuesday of an "overall slowing of global growth" amid war in Ukraine, Europe's energy crisis and global monetary tightening. The commentary -- from its latest quarterly output update -- echoed remarks from Rio last week. BHP also said cost pressures would linger over the coming 12 months (Bloomberg). The futures did move lower on the Asian open but didn't really do much after that, a small test to the downside failed to hold, with the futures closing the day at USD 124 lower at USD 7,302. Technically bearish, the futures are holding above the USD 7,132 support, if it is broken, we target the USD 6,955 fractal low, if it holds then resistance levels could come under pressure.

Capesize

As noted in the close report yesterday, the futures had little buying support, warning we could see lower pricing today. The index is back in negative territory with price USD 560 lower at USD 24,043. For the August futures it was a similar pattern to yesterday, price moved lower from the open, we did see some support enter around the USD 27,000 area; however, post index market bids faded resulting in the futures closing the day USD 1,875 lower at USD 25,625. Tomorrow's open will be key, below USD 25,500 then the futures become bearish, meaning we target the USD 20,625 low from late June. If we hold, we are going to need to see some strong physical activity to convince that there is further upside in this trend.

Panamax

As previously noted, we believe that the upside move in the futures is a higher timeframe wave 4, meaning this countertrend move should be greater in time and price than recent upside moved. The corrective move lower yesterday held the USD 17,602 support, resulting in the futures moving USD 1,025 higher today to close at USD 19,075. We are now seeing some support from the index which produced a positive number today to close USD 155 higher at USD 15,665. The carry is still a concern at USD 3,500, meaning the August is yet to break the USD 19,875 resistance. Ideally, we would like to see the index produce some stronger numbers first, but as we often say, the tail wags the dog, suggesting if the market is to move higher, it will be the paper that leads. Note, this market has a lot of wiggle room as the futures remain vulnerable below USD 25,700 and neutral above. Wave 4's don't normally move that high, so we highlight the USD 21,800- USD 21,877 resistance zone and USD 23,500 as key areas of interest.

Supramax

The RSI on the index traded at 11 yesterday meaning it hit support and is extremely oversold, the index responded with a small positive print today with price USD 22 higher at USD 22,428. The index and the technical are now conflicting, we are still expecting another bearish wave in this phase; however, we are very cautious as we have the potential to jump to a higher timeframe wave 4, based on the index being so oversold whilst the Panamax is already on the higher timeframe cycle. It has not happened yet, and may not happen, but we are now very cautious that we may just jump a timeframe. For more information on the technical please click on the link. Supramax Technical Report 19/07/22 <https://fisapp.com/wp-content/uploads/2022/07/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-19-07-22.pdf>

Oil

A technical analysis report on Bloomberg from FX empire today.

Brent markets also are very noisy, as they sit just below an uptrend line. That uptrend line is an area that a lot of people will pay close attention to, and therefore I think any signs of exhaustion will probably be jumped upon, as the first signs of exhaustion that show up on the chart. The 50 Day EMA is sitting at the \$108.76 level and dropping, so I think that also offers a significant amount of resistance. I think it's probably only a matter of time before we pull back, maybe just to stay in the same range that we have been in for a while, which is typical for this market as we are trying to figure out whether or not we are going to continue to rally, or if we are going to focus on the idea of a global slowdown from an economic standpoint. At this point, it looks as if we simply bounce from the 200 Day EMA, and now might be trying to settle into a new range.

For a look at all of today's economic events, check out our economic calendar.

This article was originally posted on FX Empire

I posted my technical report last week. I think it is a countertrend move with key resistance at USD 111.60. Let see what happens.

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