

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	23450	24125	2.9%	Pmx 1 month forward	19775	19550	-1.1%
Cape Q422	25500	25750	1.0%	Pmx Q422	19950	19700	-1.3%
Cape Cal 23	18250	18400	0.8%	Pmx Cal 23	14350	14325	-0.2%

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Smx 1 month forward	24375	23650	-3.0%	Brent	106.61	104.42	-2.1%
Smx Q4 22	20850	20825	-0.1%	WTI	102.61	96.82	-5.6%
Smx Cal 23	15350	14925	-2.8%	Iron ore	99.05	97.65	-1.4%

Iron Ore

Source FIS/Bloomberg

The world's top steelmaker has added its voice to the growing sense of alarm among China's mills over crisis conditions in the industry due to poor demand and plunging profits. China Baowu Steel Group warned of headwinds due to a "complex macro economy" and the severe impact of Covid flareups across the country, according to a posting on the group's WeChat account. Weak demand, falling prices and declining profitability are causing "great challenges" for the sector and testing the group's production and operations, it said. In a meeting on Wednesday, senior Baowu managers asked subsidiaries to cut back on operations that aren't profitable, and to keep sufficient cash to avoid liquidity crunches, according to a person familiar with the matter. They also asked the units to minimize costs by seeking lower fees from banks and for other services, said the person (Bloomberg). Unchanged technically in the August contract with the futures remaining in consolidation. If we move above USD 100.00, we have the potential to see resistance levels come under pressure. Downside moves below USD 95.50 will create a positive divergence with the RSI, not a buy signal it does warn of the potential for a momentum slowdown.

## Copper

Copper fell, extending a period of jittery trading for base metals as investors grapple with a daunting set of threats to global demand. Metals on the London Metal Exchange had clawed back some of their recent steep losses, but prices in the short term are still at the mercy of Europe's natural gas crisis, rising global interest rates and China's property stress. "The tricky situation in China -- the country that remains the key driver for metals -- continues to linger over base metals -- and commodities in general," ED&F Man Capital Markets analyst Edward Meir said in a note. "For a regime that displayed a deft touch for steering the economy through various difficulties over many decades, the authorities have now become surprisingly flat-footed, lurching from crisis to crisis in unsteady fashion." (Bloomberg). The futures continue to move lower with price closing the day around the USD 7,276 level. The technical is still bearish but price is between key support and resistance (USD 7,607 – USD 7,132), meaning there is some neutrality in the market. Downside moves below USD 7,132 will warn that the USD 6,955 support could be tested.

## Capsize

The index came in USD 553 lower today at USD 21,999. For more information on the technical please click on the link. Capesize Technical Report 21/07/22 <https://fisapp.com/wp-content/uploads/2022/07/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-21-07-22.pdf>

## Panamax

The index is starting to soar like a salmon with price USD 709 higher at USD 17,119. However, it would appear that USD 19,875 is becoming a major resistance in the August futures, price has traded above this level for the second day, but again has failed to hold above this level with the futures closing the day USD 225 lower at USD 19,550, meaning we have a bearish rejection candle on the daily chart. We have this upside moves as countertrend, implying should be a bearish wave to follow; however, if we can close above USD 19,875, we could see further moves higher. Likewise, downside moves that hold at or above USD 17,968 will support a bull argument, below this level the futures will target the USD 16,625 low.

## Supramax

Another bullish day in the index with price USD 169 higher at USD 22,800. Like the Panamax the futures have not had such a good day with the August contract closing USD 725 lower at USD 23,650. The futures are still above the index which is a positive; However, a bearish Harami candle pattern is warning that we have the potential to enter a corrective phase. Our wave analysis suggests this upside move is countertrend meaning USD 21,234 is the key support to follow. Downside moves that hold at or above this level will support a near-term bull argument, below this level we target the USD 19,500 low.

## Oil

An interesting day for oil with the futues coming under pressure on the European open to trade USD 5.00 lower at USD 101.50. However, we have seen a decent recovery with market buyers pushing price up to USD 104.75 into the close. These upside moves mean my downside target levels have risen, we remain bearish based on our wave analysis and believe the USD 94.50 low is still vulnerable, if broken we now target the USD 88.59 level.

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