

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	19125	17125	-10.5%	Pmx 1 month forward	17875	17125	-4.2%
Cape Q422	19925	18375	-7.8%	Pmx Q422	17800	17525	-1.5%
Cape Cal 23	16250	15500	-4.6%	Pmx Cal 23	13575	13450	-0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	18750	18375	-2.0%	Brent	97.06	99.65	2.7%
Smx Q4 22	18025	17800	-1.2%	WTI	91.57	94.4	3.1%
Smx Cal 23	13725	13600	-0.9%	Iron ore	109.45	112	2.3%

Iron ore

Source FIS/Bloomberg

We have seen a small upside move in the futures today with the Sep contract trading at USD 112.50 into the close. Support is coming from the Rebar futures which continue to test recent highs alongside a weaker USD basket. Near-term momentum is to the buy side with our longer-term Elliott wave analysis still suggesting that this upside move is countertrend. Key resistance is at USD 129.29, upside moves that fail at or below this level will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 104.52 will support a bull argument (this support is currently holding), below this level the USD 95.50 low will become a near-term downside target for market sellers. Although bullish based on the higher high, we continue to have reservations regarding this upside move for anything other than a short-term play.

Copper

If inflation washing through the copper industry leads to further project delays or even cancellations, prices of the metal would get a boost, at least in the medium term. That's the word from Bloomberg Intelligence's Grant Sporre, who sees a possible silver lining for copper bulls from the global supply-chain disruptions that are swelling costs and timelines for expanding production. Case in point: Antofagasta Plc just announced a \$1 billion budget increase to build a plant in Chile, with approval also delayed by several months. That's a worrying sign for producers, especially at time when environmental and social demands are rising and ore quality in places like Chile is falling (Bloomberg). The PPI figure has given further support to the copper futures with the USD basket moving lower. The technical remains bullish with price above all key moving averages supported by the RSI above 50. As noted yesterday, the technical remains in divergence warning that we have the potential for a momentum slowdown, the upside move in the RSI today means the divergence is becoming weaker, meaning it has a greater chance of failing. At this point we remain a cautious bull as there is the potential for wave extension due to the weak green-back, meaning this divergence will need to be monitored closely.

Capesize

A positive day in the index has been followed by a negative day today, with price USD 698 lower at USD 12,757. In the futures we noted that the USD 17,780 support looked vulnerable on the morning report with price closing USD 2,000 lower in the Sep contract at USD 17,125. The deep pullback means the USD 16,250 low is likely to come under pressure. If it is broken it will have bearish implications going forward as it suggests we are seeing wave extension to the downside. Technically bearish, a weakening index and bearish futures would suggest we could make a new low tomorrow.

## Panamax

The index continues to slowdown with price USD 46.00 lower at USD 16,003. The futures rejected the upside yesterday but stabilized after the index; however, we have seen follow through to the downside suggesting we could be about to see a wave extension to the downside. Our wave analysis had implied that we could be in the early stages of a corrective countertrend wave 4 but the upside move failed to trade above the USD 18,875 fractal resistance, meaning the technical remains bearish. If we hold above the USD 16,500 level, we still could see an upside move, but near-term price action is weak making this the key support level to follow. Technically bearish, if we break the 4-week consolidation phase the started on the 13/07 we could see any recent long builds starting to exit.

## Supramax

Another day of weakness in the index with price USD 250 lower at USD 17,504. The September futures followed the rest of the freight complex lower; however, the difference is the futures at this point are holding above the USD 18,180 support. Our wave analysis would suggest that we should trade below the USD 17,500 low, leading us to think the Panamax support is likely to fail alongside it. Upside moves above USD 19,500 will have short term bullish implications but wave methodology would suggest this technical remains vulnerable below USD 22,186. Technically bearish.

## Oil

Gasoline and oil prices should bounce back through the end of the year as the market still needs to balance rising demand and tight supplies, according to Goldman Sachs Group Inc. Brent oil futures could go as high as \$130 per barrel, with retail gasoline prices in the US surging back to about \$5 per gallon, said Damien Courvalin, Goldman's head of energy research in a Bloomberg Television interview. (Bloomberg). Our technical agrees with this. For more information, please click on the link. FIS Technical – Brent Oct 22 11/08/22 <https://fisapp.com/wp-content/uploads/2022/08/FIS-Oil-Technical-Report-11-08-22.pdf>

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