

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	13225	14000	5.9%	Pmx 1 month forward	16125	15650	-2.9%
Cape Q422	16575	16750	1.1%	Pmx Q422	16850	16650	-1.2%
Cape Cal 23	14475	14750	1.9%	Pmx Cal 23	13250	13100	-1.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	19450	19250	-1.0%	Brent	93.47	92.56	-1.0%
Smx Q4 22	17850	17675	-1.0%	WTI	87.85	86.78	-1.2%
Smx Cal 23	13875	13750	-0.9%	Iron ore	105.55	105.55	0.0%

## Iron Ore

Source FIS/Bloomberg

Having moved lower yesterday we are seeing the futures consolidate/Stabilize above the USD 104.15 support. Our wave analysis suggests that there is further downside in the market, but as noted in the morning report this is based on a psychological footprint of the market. The surprise rate cut by the Chinese government illustrates that they are willing to act and is potentially paving the way for further stimulus soon. Media outlets are asking for more and this in turn is cooling the bearish sentiment in iron ore. Fundamentally there are issues, technically we are bearish and on key support, but if stimulus comes this could be a dangerous market to be short in. A cautious bear at this point.

## Copper

A quiet day in copper today having found buying support in the market yesterday. Price is above the EMA support band with the RSI above 50 whilst the stochastic is just above the oversold area, on paper we do look like we have the potential to see a test to the upside. However, the daily chart is rejecting the EMA resistance band whilst the moving average on the intraday RSI is sloping to the downside (see morning technical chart), warning upside moves could find further technical resistance. At a glance, we look bullish, in reality, this is a dangerous area to start building fresh market longs.

## Capesize

Another down day in the index with price USD 321 lower at USD 8,783. On paper this is a momentum slowdown based on price; in reality, another drop of 2k in the market would have taken a quarter off the index. The technical is bearish on the futures but we have seen some buyside support in the market, potentially some short covering, or it could be that the seasonality expectation in September on the index has been bullish for most of the last 5 years, suggesting the market is comfortable with the carry at these levels for the time being. This may change in the coming weeks, but historically this index is low for this time of year, suggesting the paper market is happy to wait to see if there some form of recovery soon. If paper moves too early to the downside from here, I suspect it will find buying support.

## Panamax

The index is another USD 314 lower today at USD 15,317 with the futures looking like they are all on bearish wave 5's with a few divergences in play. A technical to read to the kids when you put them to bed tonight! Panamax Technical Report 16/08/22 <https://fisapp.com/wp-content/uploads/2022/08/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-16-08-22.pdf>

## Supramax

Another upside day on the index today with price rising USD 208 to USD 17,886, meaning momentum is now aligned to the buy-side. However, the paper is less enthusiastic with the Sep contract USD 200 lower at USD 19,250. Price is rejecting the small trend support it broke last week with the RSI dropping to 49, whilst the stochastic holding in overbought territory. Momentum is warning we could see a test to the downside here if the RSI moves much lower. Technically unchanged, we maintain our view that this upside move looks to be countertrend.

## Oil

The European Union views Iran's response to a proposed blueprint for reviving the 2015 nuclear deal as constructive, according to an official familiar with the diplomatic efforts, and is consulting with the US on a "way ahead" for the protracted talks. The comments are the first positive sign that the Iranian position, formally submitted by Tehran to the EU on Monday night, might not stall the negotiations further. The official, who didn't want to be named because of the sensitivity of the matter, said Iran's response still required study and that other parties to the nuclear talks -- which include the US, China and Russia -- are assessing it. (Bloomberg). As I write this the futures have just traded below the USD 92.78 low, meaning we are going to see wave extension to the downside, which has bearish implication going forward. Near-term support is at USD 89.75, if broken we have the potential to trade as low as USD 83.18. Key resistance has however now dropped on the new low, if we trade above USD 100.38 then this technical will be bullish.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)