

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	11125	11625	4.5%
Cape Q422	16125	16125	0.0%
Cape Cal 23	14400	14500	0.7%

	Previous Close	Current Close	% Change
Pmx 1 month forward	14650	14075	-3.9%
Pmx Q422	16050	15150	-5.6%
Pmx Cal 23	12125	12600	3.9%

	Previous Close	Current Close	% Change
Smx 1 month forward	19250	19200	-0.3%
Smx Q4 22	17550	17150	-2.3%
Smx Cal 23	13400	13250	-1.1%

	Previous Close	Current Close	% Change
Brent	96.09	95.44	-0.7%
WTI	89.91	89.92	0.0%
Iron ore	101	101.65	0.6%

Iron ore

Source FIS/Bloomberg

Chinese lenders lowered their benchmark rates and the central bank urged them to maintain steady loan growth as Beijing deploys more levers to alleviate a worsening housing crisis. The five-year loan prime rate, a reference for mortgages, was reduced by 15 basis points to 4.3% after being cut by the same magnitude in May. The People’s Bank of China on Monday urged lenders, especially major state-owned banks, to boost loans to the real economy. The moves follow Friday’s announcement of special loans being offered to property developers in a program that could be worth 200 billion yuan (\$29.3 billion), according to people familiar with the discussions (Bloomberg). Rates were cut but the futures did not move higher, meaning we remain technically vulnerable. The Sep futures are in a consolidation phase with price trading between the 8-21 period EMA’s. Technically we remain bearish with a potential downside target at USD 95.50; however, below USD 100.35 the futures have the potential to create further intraday divergences. Not a buy signal this will need to be monitored.

Capesize

The index continues to remain weak with price USD 68 lower today at USD 6,199. The September futures did opened bid and closed higher than Friday; however, price came under pressure in the afternoon session meaning we actually closed on the low of the day. Technically we remain bearish with the futures below all key moving averages supported by the RSI below 50. Tomorrow’s pivot point looks like it will be at USD 11,916, meaning price and momentum will be conflicting if we open tomorrow at today’s close levels. The RSI did make a new low when price traded at USD 10,950 on Friday, but the 30, 60, 120 min charts were all in divergence at the time, not a buy signal it does warn of the potential for a momentum slowdown. Technically bearish the divergence will need to be monitored if we trade back down to new lows.

Panamax

The index continues to weaken with price USD 380 lower at USD 13,472 today. In the futures it has been a repetitive story with price remaining in a bearish trending environment below all key moving averages supported by the RSI below 50. The Sep contract closed the day USD 475 lower at USD 14,175. Upside moves that fail at or below USD 17,136 remain vulnerable to further tests to the downside, whilst intraday Elliott wave analysis continues to suggest that any upside move should be considered as countertrend.

Supramax

Another bullish day in the index with price USD 183 higher at USD 19,265; however, this increase does signal a slowdown in buy-side momentum compared to recent days. In the futures we had a mixed day, the Sep contract has recently rejected the USD 19,600 – USD 20,000 resistance level with price trading down to USD 18,950 in the morning session, before closing USD 250 above the day's low at USD 19,200, down USD 50 on the day. Our intraday Elliott wave analysis continues to suggest that the recent upside move is countertrend; upside moves that fail at or below USD 22,186 remain vulnerable to further tests to the downside, above this level the technical will have a neutral bias.

Oil

Oil slumped on the potential of more Iranian barrels entering the market alongside an expected slowdown in crude demand. West Texas Intermediate dropped as much as 4.6% to trade around \$87 a barrel. President Joe Biden spoke Sunday with leaders from France, Germany and the UK about reviving a nuclear deal with Iran, which could lead to returning supply from the OPEC producer. Additionally, China was said to be planning a series of special loans to ramp up support for its beleaguered property market, the latest sign of the world's largest crude importer moving to shore up its economy. The apparent need for such stimulus has exacerbated fears of a global economic slowdown (Bloomberg). This is becoming an increasing random technical due to the potential Iranian supply, Saudi saying the futures are disconnecting from price amid concerns around the Chinese economy. The futures held support for a second day this morning with price trading back above the 1-hour 200-period MA for the third consecutive day. However, the potential return of Iranian supply means we have now seen a deep pullback below Fibonacci support levels, followed by a USD 3.00 rally into the E.U. close. Where is the Elliott wave cycle in this? It's a mess! Technically we are bearish below USD 100.38, if we trade above this level, we are bullish; likewise, if we trade below USD 91.51 then we are looking at further downside wave extension.

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