EMISSIONS | OIL | FERROUS | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT

FIS

European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	11625	10500	-9.7%	Pmx 1 month forward	14000	12850	-8.2%
Cape Q422	16250	15750	-3.1%	Pmx Q422	14950	13875	-7.2%
Cape Cal 23	14500	14275	-1.6%	Pmx Cal 23	12450	11925	-4.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	19200	17625	-8.2%	Brent	96.69	100.17	3.6%
Smx Q4 22	17150	15925	-7.1%	WTI	90.67	93.82	3.5%
Smx Cal 23	13250	12875	-2.8%	Iron ore	101.65	103.7	2.0%

Iron Ore Source FIS/Bloomberg

Iron ore prices could nearly halve by next year as China's deepening property crisis poses a threat to the value of Australia's top export, as Beijing scrambles to spur borrowing in an economy hobbled by a strict COVID-19 zero ambition. The People's Bank of China (PBoC) on Monday cut the five-year prime mortgage rate - the benchmark for pricing most mortgages - by 0.15 percentage points to 4.3 per cent from 4.45 per cent. The central bank also cut the one-year loan prime rate by 0.05 percentage points to 3.65 per cent from 3.7 per cent. The move was anticipated by economists and added to last week's easing measures off the back of disappointing economic data for July. The world's second-largest economy is an outlier, with central banks in other nations forced to lift interest rates to rein in inflation, even at the risk of recession. "The cut is too little and too late," said Raymond Yeung, ANZ's chief economist for Greater China. "Property sales have failed to respond to the previous rate cuts. The measures so far are only marginal. Do not count on a rapid recovery of the Chinese economy." (Bloomberg). As noted on the morning technical, although bearish the futures were trying to break the consolidation zone to the upside, warning resistance levels could be tested. The futures traded above the USD 104.05 resistance resulting in price closing at the base of the Fibonacci resistance zone. Upside moves that fail at or below USD 108.91 level will leave the futures vulnerable to further tests to the downside, above USD 113.30 will imply we are in a complex corrective phase.

Capesize

A positive number in the index today with price coming in USD 409 higher at USD 6,608. The September futures however had a negative reaction with price moving USD 1,125 lower, to close the day at USD 10,500. The futures opened higher creating a bullish gap on the open gut failed to hold, before coming under the pressure after the index. Once the bullish gap had closed on the intraday chart, the futures dropped USD 925 during the afternoon session, resulting in price trading below the USD 10,950 low. As noted in the morning technical a new low has created a positive divergence on the intraday RSI, not a buy signal, it is warning we have the potential for a momentum slowdown, for this reason the futures are not considered a technical sell at this point. However, it is important to note that this does not mean we will not move lower, it means it is just not a technical sell.



Panamax

The index exceeded expectations in a bad way today with price USD 659 lower at USD 12,813. The Sep contract had already moved USD 375 lower in the morning session; however, post index the futures came under further pressure, potentially on longs exiting the market. For more information on the technical please click on the link. Panamax Technical Report 23/08/22 https://fisapp.com/wp-content/uploads/2022/08/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-23-08-22.pdf

Supramax

The index continues to go against the rest of the sector with price moving USD 147 higher to USD 19,412. However, sentiment weighed on the futures with the Sep contract finally producing the technical move to the downside that we had been waiting for. The futures sold off from the open with price trending lower for the remainder of the day, to close USD 1,575 lower at USD 17,625. Downside moves below USD 17,500 will create a positive divergence with the RSI, warning of the potential for a momentum slowdown. However, using the Williams approach we now have a potential downside target at USD 15,353.

Oil

Oil rallied as markets digested the possibility of OPEC+ cutting production in order to stabilize the volatile futures market. West Texas Intermediate rose 3.7% to over \$93 a barrel on Tuesday, getting an extra boost as the dollar slid, making commodities priced in the currency more attractive. Prices rallied above \$90 after Saudi Oil Minister Prince Abdulaziz bin Salman told Bloomberg "extreme" volatility is disconnecting futures prices from fundamentals. "Oil is rebounding this morning as the topic of production cuts has surfaced amid recent price weakness and a growing chorus that paper markets are being distorted by low volumes and fewer participants," said Stacey Morris, head of energy research at VettaFi. (Bloomberg). The technical had got a little messy yesterday having dropped USD 5.00 before rallying USD 3.00 in the afternoon session, making us question our wave cycle. However, it does appear that the cycle has completed its downside move with price moving USD 4.00 higher today closing the E.U session around USD 100.23. Technically we still need to trade above USD 100.38 to take the technical into bullish territory but this is now looking more of a case of when, rather than if.

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