



# European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	10500	8875	-15.5%	Pmx 1 month forward	13100	12250	-6.5%
Cape Q422	15625	13750	-12.0%	Pmx Q422	13675	13050	-4.6%
Cape Cal 23	14325	13325	-7.0%	Pmx Cal 23	11575	11175	-3.5%

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Smx 1 month forward	17750	16625	-6.3%	Brent	101.73	101.03	-0.7%
Smx Q4 22	15412.5	14275	-7.4%	WTI	95.37	94.37	-1.0%
Smx Cal 23	12125	11850	-2.3%	Iron ore	104.1	103.5	-0.6%

## Iron Ore

Source FIS/Bloomberg

Iron ore retreated, halting a three-day advance even as China injected more stimulus to bolster growth to combat the fallout caused by Covid lockdowns and a property market crisis. The steel-making ingredient climbed as much as 1.8% in Singapore, before paring gains and falling as investors mulled the strength of demand recovery in steel markets (Bloomberg). The Sep contract sold off in the Asian day session before catching a bid in the evening session. The technical itself remains bearish with price vulnerable to further tests to the downside below USD 108.91. We have seen an injection of stimulus which is creating support in the market; however, the upside move is yet to convince, suggesting this technical remains weak. An interesting point on Bloomberg today, steel margins are in negative territory, which is giving little incentive to produce more of it. Until this changes there is little reason for a strong bull move, as the economic outlook is so uncertain.

## Capesize

A horrible index today that has put price sub 4k, there really is little point of talking about downside risks from here. However, if you want to know where we stand on the futures technical, please click on the link. Capesize Technical Report 25/08/22 <https://fisapp.com/wp-content/uploads/2022/08/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-25-08-22.pdf>

## Panamax

We continue to see the index slide with price another USD 606 lower today at USD 11,480. The futures found buying support yesterday having held the 161.8% Fibonacci projection at USD 12,106. This did not change our technical perspective, based on our wave analysis upside moves are considered as countertrend. The futures opened weak with price trading to a new low this afternoon, to close on the Fibonacci support level, putting the intraday technical in divergence with the RSI. Not a buy signal it is a warning we could see a momentum slowdown which will need to be monitored. We maintain our view that the technical remains bearish with upside moves considered as countertrend, we did move higher yesterday, but this was not the upside move we were looking for.

## Supramax

Momentum in the index had been slowing for the last couple of days warning we could be about to see a reversal, resulting in price moving USD 111 lower today to close at USD 19,392, below USD 19,251 momentum will be seen to be weakening based on price. The futures reacted negatively, having produced a bullish rejection candle yesterday we failed to produce any follow through today with price coming in offered on the open. The futures have not traded below the low of yesterday; however, if we do then we target the USD 15,587 level. A new low will create a positive divergence with the RSI on the intraday chart which will need to be monitored. Technically bearish; if we trade below USD 15,587, we have further support at USD 14,394.

## Oil

Oil fluctuated as traders kept an eye on the Federal Reserve's symposium for additional outlook on further interest rate hikes which could exacerbate recessionary fears. West Texas Intermediate fell near \$94 a barrel in a choppy session swinging between gains and losses. Traders are keeping a close eye on US Federal Reserve's officials who have been dropping hawkish hints on economic policy ahead of the Central Bank's Jackson Hole symposium on Friday when Federal Reserve Chair Jerome Powell is scheduled to speak. Increasing interest rates could lead to an economic slowdown and decreased demand for crude. "Oil is entering wait-and-see mode until Fed Chair Powell's speech at Jackson Hole," said Ed Moya, senior market analyst at Oanda. "Everyone is anticipating a big move in the dollar post-Powell and that will likely determine if we see oil prices continue to make a move towards the \$100-a-barrel level" (Bloomberg). An erratic day's trading in the futures with price moving lower on a negative divergence, before finding support in the U.S session. Technically we remain bullish, but until Powell speaks, we should prepare for further erratic moves. The intraday technical remains bullish but in divergence with the RSI.

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