



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	8775	9450	7.7%	Pmx 1 month forward	9450	11050	16.9%
Cape Q422	13425	14250	6.1%	Pmx Q422	11700	12800	9.4%
Cape Cal 23	13387.5	13750	2.7%	Pmx Cal 23	10700	10925	2.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15125	15250	0.8%	Brent	100.06	96.79	-3.3%
Smx Q4 22	12525	13425	7.2%	WTI	92.27	91.03	-1.3%
Smx Cal 23	11075	11425	3.2%	Iron ore	97.25	100.35	3.2%

Iron Ore

Source FIS/Bloomberg

China's purchasing managers' index for the steel industry rose to 46.1 in August after a dismal reading of 33 in the prior month, according to the China Federation of Logistics and Purchasing on Wednesday. Output increased to 47.4 from 26.1 in July, the biggest jump since Bloomberg started tracking the data in 2011, while new orders rose 17.2 points to 43.1. Still, most segments of the gauge stayed below 50, the mark that divides expansion and contraction (Bloomberg). The October futures moved higher into the close of the Asian day session with price trading up to USD 101.10 before easing a little after the DCE close. The trend remains technically bearish with upside moves that fail at or below USD 103.13 vulnerable to further tests to the downside, above this level the technical will have a neutral bias. In theory the downside cycle is incomplete as we have yet to trade below the USD 95.50 low. However, we did trade within 30 cents of it so are a little cautious at this point, making USD 103.13 and USD 106.90 the key resistance levels to follow.

Copper

A copper market wilting under the pressure of a global economic slowdown may get a boost from another disappointing month of output from the top-producing nation. Chile, which accounts for more than a quarter of the world's mined copper, just reported an 8.6% decline in July production from a year ago. Last month's result was also down 7% from June. The data, released Wednesday by the national statistics agency, offers a timely reminder of the supply-side challenges in a metal market that has been focused of late on demand concerns spurred by Covid-19 lockdowns and a property crisis in China, the top metal consumer (Bloomberg). Technically bearish this morning having made a lower low the new low in the RSI suggested that resistance levels should hold if tested. The upside move in the futures was weaker than expected with the resistance zone untested resulting in the futures coming under further pressure to trade to a low of USD 7,653. Near-term support is now at USD 7,602 with key resistance at USD 7,960. If support is broken, we target recent low; however, above USD 7,960 the intra-day technical is once again bullish.

Capesize

Another bearish index today with price USD 288 lower at USD 2,505. The futures are holding support levels with the divergences in the market warn of exhaustion. For more information on the technical please follow the link. Capesize Technical Report 31/08/22 <https://fisapp.com/wp-content/uploads/2022/08/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-31-08-22.pdf>

Panamax

The index continues to weaken with price USD 600 lower at USD 9,620. However, we are seeing a bounce in the futures in what looks like could be the start of the countertrend move that we have been expecting. For more information on the technical please follow the link. Panamax Technical Report 31/08/22 <https://fisapp.com/wp-content/uploads/2022/08/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-30-08-22.pdf>

Supramax

We continue to see sell side momentum increase on the index with price USD 723 lower at USD 17,881 today. The futures have moved higher today but the move is not as strong as the Panamax futures with price in the Sep contract closing USD 125 higher at USD 15,250; however, this is over USD 1,000 off the day's low, meaning it is a substantial push that will give us a bullish rejection candle on the daily chart, warning we have the potential to test upside resistance levels. However, we remain conscious of the ever-weakening index and feel that we will need to see more from the paper to convince that any upside moves has legs.

Oil

We noted on the morning technical that upside moves in the futures would now be considered as countertrend, due to the strength of yesterday downside move yesterday. The technical failed below Fibonacci resistance levels resulting in the futures moving another USD 2.5 lower. Technically the futures are now bearish; however, we have seen price hold around out USD 95.55 support on the intraday suggesting the downside move is a little overextended now. Price needs to trade above USD 100.46 to be considered as bullish on the intraday.

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