

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	13050	12425	-4.8%	Pmx 1 month forward	14575	15150	3.9%
Cape Q422	14000	13325	-4.8%	Pmx Q422	14450	14637.5	1.3%
Cape Cal 23	13850	13125	-5.2%	Pmx Cal 23	11925	11650	-2.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	16250	15750	-3.1%	Brent	95.23	93.17	-2.2%
Smx Q4 22	15475	15125	-2.3%	WTI	87.25	87.1	-0.2%
Smx Cal 23	12100	11875	-1.9%	Iron ore	97.6	97.1	-0.5%

Iron Ore

Source FIS/Bloomberg

Steel inventories at Chinese mills fell in the second half of last month, a sign that construction activity may be picking up and demand for iron ore improving. Stockpiles dropped 8% to 15.3 million tons, the lowest since January, at the end of August, according to the China Iron & Steel Association. Daily crude steel production rose 4.6% over the same period. The decline in inventories comes at the start of the China’s peak construction period in September and October and after Beijing pledged more stimulus this quarter. It’s a rare bit of positive news for an industry that’s been hit hard by a property crisis. Baoshan Iron & Steel Co., a unit of the world’s biggest steel-maker, said last week it was facing “severe challenges” after an earnings miss (Bloomberg). Little movement today on the October contract, as noted on the morning technical, we remain bearish with key support at USD 94.89, if it holds resistance levels will be vulnerable, if broken we target the USD 92.75 low.

Copper

Supply of copper and nickel will ramp up just as demand is falling, creating conditions for a “bumpy” couple of years for non-ferrous metals markets, BHP Group’s Chief Economist Huw McKay said. Economic headwinds outside China will reduce demand for nonferrous metals just as supply is growing, McKay said at a mining conference in Canberra, Australia. Demand in China is unlikely to recover quick enough to prevent copper and nickel markets tipping into surplus: McKay. Still, China will become a source of stability for metals producers, and “possibly more”, if the property sector picks up (Bloomberg). Technically we are bearish, however the market did open supported this morning, but momentum indicators warned that the futures were vulnerable to further tests to the downside. We did trade back up to the USD 7,734 resistance in the European session before coming under pressure after lunch, leaving price unchanged on the day.

Capesize

The index gave back yesterday gains today with price USD 963 lower at USD 6,037, a close below USD 5,015 would imply that momentum based on price is weakening. A mixed day in the October contract with price coming under pressure early on to trade to a low of USD 11,125, post index the futures have traded above opening values but remain USD 750 lower than the previous days close at USD 12,300. The candle is bullish, the close is technically still bearish and the index remains low, leaving the futures vulnerable, suggesting we need to see more to the upside to convince, as this technical continues to remain vulnerable.

Panamax

Buyside momentum in the index continues to improve with price moving USD 774 higher to USD 11,379. For the futures it was a bit of a slow start due to price opening below the daily pivot point; however, price started to push post index to close the day USD 575 higher at USD 15,150. Key resistance remains unchanged at USD 15,478; we remain bearish below this level but have a neutral bias creeping in above it. Wave analysis continues to suggest this upside moves is countertrend.

Supramax

The index continues to move lower with price down USD 127 at USD 16,355; however, this is less than the previous few days, suggesting sell side momentum is slowing. For more information in the technical please follow the link. Supramax Technical Report 06/09/22 <https://fisapp.com/wp-content/uploads/2022/09/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-06-09-22.pdf>

Oil

Another volatile day in the futures with price trading to a low of USD 92.38 in the afternoon session before trading up to USD 93.37 into the European close. USD 91.51 is a key level in terms of the Elliott wave, fundamentally there are reasons to sell this, but with OPEC making it clear they are prepared to support the market, it makes it hard to build a short position. This means traders are acting accordingly and going risk off, as highlighted by the aggregate open interest in the technical report. FIS Technical – Brent Nov 22 06/09/22 <https://fisapp.com/wp-content/uploads/2022/09/FIS-Oil-Technical-Report-06-09-22.pdf>

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