FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	14500	14000	-3.4%
Cape Q422	15250	14958.5	-1.9%
Cape Cal 23	13500	13287.5	-1.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	16625	16000	-3.8%
Pmx Q422	16125	15650	-2.9%
Pmx Cal 23	12025	12025	0.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	16750	16650	-0.6%
Smx Q4 22	16312.5	15625	-4.2%
Smx Cal 23	12225	12300	0.6%

	Previous Close	Current Close	% Change
Brent	88.61	92.76	4.7%
WTI	82.73	87.02	5.2%
Iron ore	100.1	102.85	2.7%

Source FIS/Bloomberg

Iron ore

Iron ore held above $100 a ton and has this week risen the most since the end of July, as the onset of the peak construction season in China bolstered sentiment. Prices of the steelmaking ingredient have rebounded from a more than nine-month-low in early September, driven by expectations that the ongoing peak construction season, which runs through October, will boost steel demand (Bloomberg). A small drop in the inflation figures is also spurring the market on as it looks for further financial support in the housing industry. The October futures are now bullish on the intraday having traded above the USD 101.15 high. As noted on the morning technical, the RSI is making new highs whilst the current wave is nearly 150% the length of the previous wave, suggesting the move is bullish impulse, meaning support levels should hold if tested.

Copper

Base metals extended their rally as a weaker dollar and concerns over supply constraints boosted sentiment. Nickel on the London Metal Exchange rose as much as 5.6%, putting the futures contract on track for the biggest weekly gain since July. Copper and aluminium also continued to rebound from lows set at the start of September. The dollar dropped the most in a month, offering some relief after the US currency's previous appeal as a safe haven against inflation crushed commodity prices. Crude oil, wheat, gold and arabica coffee also moved higher Friday (Bloomberg). We suggested caution on the technical this morning as the upside move in the futures does not seem to be show traditional (Elliott wave) bullish impulse behaviour. We also noted that although markets like to close gaps, the one highlighted should be considered a resistance zone, suggesting caution. The futures traded into the resistance gap (high USD 8,020) before selling USD 150 lower into the close.

Capes

The index has been slowing in recent days with price up USD 167 today at USD 5,574. For more information on the technical please click on the link. Capesize Technical Report 09/09/22 https://fisapp.com/wp-content/uploads/2022/09/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-09-09-22.pdf

Panamax

The index is USD 971 higher today at USD 15,450, this however is a considerable slowdown from yesterday. The October futures acted accordingly with the futures moving lower by USD 625 today, to close the week at USD 16,000. There is no significant disparity gap between the futures and the index, yet the futures are failing below our resistance zone and moving lower, suggesting a further slowdown is expected in the index next week. We maintain our view that this recent upside move is countertrend.

Supramax

One would have expected a positive index by now, however this index is dragging this out with price USD 20 lower today at USD 16,227. A very quiet day in terms of price action today with the futures trading up to USD 17,250 on the open, before closing the day USD 100 lower at USD 16,650. Technically, like the Panamax, I think this upside move is against the trend. What has been interesting over the last 8 days is the narrowing of the Pmx v Smx spreads, these will need to be looked at next week to see if the spread is about to flip, or if it needs to sell back down again. Either way, we remain bearish the freight complex.

Oil

Oil rebounded from an eight-month low as the market shrugged off a U.S. report showing swelling crude stockpiles and slumping demand. West Texas Intermediate advanced 2% in a move traders characterized as a technical correction following crude's descent into oversold territory. The jump came even as US oil inventories rose 8.85 million barrels last week and one measure of gasoline demand plunged below seasonal 2020 levels. "Crude is trying to bounce off the lowest levels since March as the last two weeks' selloff in prices stemmed from a perceived slowdown in both Asia and Europe with expectations that demand destruction is coming," said Dennis Kissler, senior vice president of trading at BOK Financial. Crude's tumble in recent days has seen it break out of the trading range it's been in for much of the summer. Futures have been trading below key moving averages and forming bearish technical patterns that compounded the recent sell-off. Monetary tightening and concerns about an economic slowdown have also weighed on the market. (Bloomberg). I would roll with this view; the futures are seeing a technical correction with the intraday remaining vulnerable below USD 93.72. On the daily technical we remain vulnerable below USD 99.28 with the futures needing to trade above USD 105.48 for the Elliott wave cycle to fail. Technically bearish with the futures rebalancing into the close of the week.

Ed

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