

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	16625	17300	4.1%
Cape Q422	16875	17116.5	1.4%
Cape Cal 23	13800	13350	-3.3%

	Previous Close	Current Close	% Change
Pmx 1 month forward	17900	18625	4.1%
Pmx Q422	17150	17300	0.9%
Pmx Cal 23	12600	12750	1.2%

	Previous Close	Current Close	% Change
Smx 1 month forward	17500	18500	5.7%
Smx Q4 22	16650	17425	4.7%
Smx Cal 23	12675	12875	1.6%

	Previous Close	Current Close	% Change
Brent	94.26	92.31	-2.1%
WTI	88.04	86.39	-1.9%
Iron ore	102.3	103.6	1.3%

Iron Ore

Source FIS/Bloomberg

Iron ore rose following China Evergrande Group’s removal of most of its construction-project freezes, while more cities in the nation are shoring up home-purchase credit support amid the peak building season. The steel-making ingredient gained as much as 2.2% after Evergrande, one of the country’s largest developers, said it will restart construction at 668 of its 706 frozen projects. More than 600 sites have reached normal construction levels, coinciding with China’s peak building season that traditionally lasts until end-October (Bloomberg). The October futures have failed to trade above USD 104.55 with price moving lower in the evening session on the back of the CPI figure in the U.S, downside moves below USD 101.75 would suggest we are entering a more complex corrective phase. Corrective moves lower that hold at or above 98.35 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that trade above USD 104.55 would suggest the USD 106.90 fractal resistance on the daily chart could be tested with the potential to trade as high as USD 109.04 in this phase of the cycle.

Copper

We noted on the morning report that the futures were not considered a technical buy due to a negative divergence with the RSI whilst price was in a resistance window. Upside moves had a near-term target of USD 8,129 as this was the top of the bearish Gap. The futures moved higher, closed the resistance gap (high USD 8,153) before moving lower on dollar strength on the back of the CPI figure, to close the day at USD 7,874. Downside moved below USD 78.20 will mean the intraday technical is bearish.

Capesize

The upside move in the October contract yesterday had threatened a good index today, which has been the case with price USD 2,682 higher at USD 8,952. The October futures moved higher in the morning session to trade up to USD 17,750, before trading back down to the USD 16,950 resistance. The afternoon session proved to be more subdued with the futures trading around the USD 17,250 into the close. We had USD 16,950 as an area of interest for market sellers due to a Fibonacci overlap at this level, the futures look like we will close above this level, if we can hold above it, then we have further resistance at USD 18,550 and USD 19,537. However, we have a minor divergence with the RSI that will need to be monitored, it is not a sell signal, but it does warn we have the potential to see a momentum slowdown, this will need to be monitored as it is warning the technical could be vulnerable to a test to the downside.

Panamax

A good index today with price USD 1,364 higher at USD 17,330. The October futures have moved higher today but only by USD 750 to USD 18,650; it looks like the bulk of the move was priced in yesterday. Technically the futures are bullish having traded above the daily fractal resistance at USD 18,700, however the 1-hour intraday technical is in divergence with the RSI, although not a sell signal it does warn that we have the potential to see a technical pull-back. It is worth noting that divergences can and do fail, this will need to be monitored but will need confirmation in case we enter a corrective phase, as price is above well-spaced EMA's. We do have a trend support around USD 17,350 that will be an area of interest if tested.

Supramax

The index has turned positive today with price USD 126 higher at USD 16,325, momentum is now bullish based on price. The futures look like they are in a bullish countertrend wave 4, for more information on the technical please click on the link. Supramax Technical Report 13/09/22 <https://fisapp.com/wp-content/uploads/2022/09/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-13-09-22.pdf>

Oil

Our wave analysis would suggest that the current upside move is countertrend, however oil has proved to be resilient in recent days. The futures traded to a high of USD 95.53 in the morning session before the U.S CPI figure at 13.30 GMT. Expected at 8.1% is came in at 8.3%, resulting in a downside move in the futures to a low of USD 91.77. Arguably a USD trade rather than an oil trade, we must be fair as the recent upside move has been on the dollar weakness rather than a strong fundamental. Technically bearish the futures are trading just below the 60 minute 200-period moving average (USD 92.75), if we hold below the average, it will further support a bear argument.

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