

FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	#N/A N/A	20000	#VALUE!	Pmx 1 month forward	#N/A N/A	18375	#VALUE!
Cape Q422	#N/A N/A	18375	#VALUE!	Pmx Q422	#N/A N/A	17375	#VALUE!
Cape Cal 23	#N/A N/A	13625	#VALUE!	Pmx Cal 23	#N/A N/A	12400	#VALUE!

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	#N/A N/A	18800	#VALUE!	Brent	91.73	90.17	-1.7%
Smx Q4 22	#N/A N/A	17775	#VALUE!	WTI	85.33	83.71	-1.9%
Smx Cal 23	#N/A N/A	12875	#VALUE!	Iron ore	97.45	95.65	-1.8%

Source FIS/Bloomberg

No Baltic closes yesterday due to the market being closed.

Iron ore

Iron ore prices wavered as the market assesses the strength of Chinese demand. Economic indicators suggest that government stimulus is boosting the ailing construction industry, which should flow through to stronger consumption for the steel-making material. Set against that, a snap lockdown in the steel hub of Tangshan is a reminder that China's Covid Zero policies could suppress output and sap demand. (Bloomberg). The futures continue to come under pressure with price trading below the USD 96.72 in the Asian day session before trading lower again in the evening session. The October contract has traded below the USD 95.10 fractal support, warning the USD 93.00 low is vulnerable, below this level would suggest we are seeing an Elliott 5th wave extension. Upside moves that fail at or below USD 101.07 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.

Copper

OZ Minerals is seeking ~A\$10B (US\$6.7B) in a potential sale as BHP (NYSE:BHP) pursues a deal for the Australian miner, Bloomberg reported Sunday. Sydney-listed OZ Minerals (OTCPK:OZMLF) believes an offer of ~A\$30/share would better reflect its growth prospects and be a starting point for further negotiations, according to the report. BHP (BHP) is said to be considering raising its previous A\$25/share bid, or A\$8.4B (US\$5.6B), as soon as this month for OZ Minerals (OTCPK:OZMLF) as soon as this month, which last month rejected BHP's A\$25/share offer (Bloomberg). The futures opened higher but moved lower during the E.U session, price remains within the previous days range meaning we could be looking at an inside day candle pattern tomorrow. Technically we remain bearish below USD 7,987 and neutral above, a close below USD 7,622.5 will warn that the futures have the potential to weaken further.

Capesize

Another bumper day for the index with price USD 3,941 higher at USD 16,540. Focus is now on the RSI at 61, if it moves above the 64 level then historically it has the potential to go on a bull run. For more information on the technical please click on the link. Capesize Technical Report 20/09/22 <https://fisapp.com/wp-content/uploads/2022/09/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-20-09-22.pdf>

Panamax

Having moved lower in the back end of last week we have seen a little reversal in price today with the index USD 293 higher at USD 16,870. A close above USD 17,186 tomorrow will mean momentum is seen to be improving based on price. The turn in the index and the strong upside move in the Capesize futures today has resulted in a bullish push in the October contract. Price is USD 3,125 higher at USD 18,375, meaning the technical although bearish, has a neutral bias. Upside moves above USD 19,300 will create a higher high, and potentially a negative divergence with the RSI, not a sell signal it does warn we could see a momentum slowdown and will need to be monitored. Our Elliott wave analysis suggests this upside move looks to be countertrend with the futures vulnerable below USD 23,184 and neutral above. A close on the intraday/daily technical below USD 15,250 will warn of downside continuation.

Supramax

Momentum turned to the buy side on the index last week with price another USD 325 higher at USD 17,382 today. Upside moves that fail at or below USD 18,319 will leave the index vulnerable to further tests to the downside, above this level it will have a neutral bias. Likewise, a close below USD 16,688 will mean momentum is seen to be weakening based on price. Like the rest of the freight complex the October contract moved up today with the futures closing USD 1,875 higher at USD 18,800; however, the intraday futures are in divergence which will need to be monitored. The move today has finally confirmed that we are on the bullish countertrend Elliott wave 4 that we had suspected we were in, upside moves that fail at or below USD 27,185 will leave the futures vulnerable to further tests to the downside, above this level the wave cycle will have a neutral bias. Downside moves on the 4-hour candle below USD 16,375, or a close below USD 16,750 will indicate the intraday futures are turning bearish, warning downside support levels could be vulnerable.

Oil

The intraday technical entered bullish territory today but the move has failed to hold. Price has moved lower in the evening session to trade below the USD 90.04 support, meaning we now have a neutral bias on the technical. If we close on the 4-hour candle below USD 90.00 then it will warn that the USD 88.50 and USD 87.24 support levels could be tested. Likewise, upside moves above USD 93.05 or a close above USD 92.46 on the 4-hour candle will warn that the USD 95.80 fractal resistance could be tested. Technically we maintain our view that any upside moves are considered as countertrend based on our Elliott wave analysis, with the higher timeframe cycle remaining bearish below USD 99.27 and neutral above.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com