

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	19125	20375	6.5%	Pmx 1 month forward	18175	18875	3.9%
Cape Q422	17675	18500	4.7%	Pmx Q422	17425	17750	1.9%
Cape Cal 23	13750	13781.5	0.2%	Pmx Cal 23	12412.5	12487.5	0.6%

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Smx 1 month forward	18750	19325	3.1%	Brent	90.33	86.55	-4.2%
Smx Q4 22	17850	18125	1.5%	WTI	83.5	79.19	-5.2%
Smx Cal 23	12850	12925	0.6%	Iron ore	98.35	96.3	-2.1%

Iron Ore

Source FIS/Bloomberg

The October futures have come under pressure this afternoon alongside the rest of the commodity complex (excluding freight). The upside move has failed below the USD 99.25 resistance with price USD 1.60 lower at USD 96.00. Downside moves that hold at or above USD 95.67 will support a near-term bull argument, below this level the futures will target the USD 94.20 – USD 93.00 support zone. Only below USD 93.00 will it signal a wave 5 extension; however, the upside move failing below USD 100.86 is warning the technical condition is weakening.

Copper

Copper slumped and aluminium headed for a fourth straight weekly decline amid mounting concerns about the level of demand -- especially in crisis-hit Europe. Tighter monetary policy, weakness in China's economy and Europe's energy crisis are all undercutting the outlook for consumption. A sharp decline in usage could ease pressure on supply, after fears over a cut to Russia's exports helped drive copper and aluminium to records earlier in the year. An index of Europe's purchasing managers Friday slumped to its lowest level since 2013, painting a dark picture for the continent's economy as it grapples with an energy crisis. The manufacturing gauge also slid to a two-year low. Its outweighing the impact of high-power prices, which have idled about a half of aluminium smelting capacity on the continent (Bloomberg). Technically bearish on the morning report with price and the RSI on their respective support levels. The futures have come under pressure resulting in support being broken, the RSI is now making new lows alongside price in the near-term; however, we do have a minor divergence in play dating back to the 02/09 that will need to be monitored.

Capesize

A strong index today with price USD 2,293 higher at USD 18,293. The futures opened bid with price trading above the USD 20,125 in the late Asian session before trading to a high of USD 21,000. Going into the close the futures are trading around the USD 20,500 level with the RSI still in divergence, not a sell signal it continues to warn that we have the potential for a momentum slowdown and will need to be monitored. Key support has now moved higher, downside moves that hold at or above USD 18,513 will support a bull argument, below this level the technical will have a neutral bias, whilst below USD 17,250 the intraday technical is bearish.

Panamax

The index continues to move lower, but the downside movement today is only USD 24.00 (USD 16,623), signalling momentum based on price is slowing down. Having held support yesterday the futures are USD 700 higher at USD 18,875 today. The technical itself remains bearish with a neutral bias as price is below the USD 19,300 high from the 15/09. However, if we do trade to a new high it will create a negative divergence with the RSI, not a sell signal it warns we have the potential to see a momentum slowdown and will need to be monitored.

Supramax

The index continues to move higher with price up USD 164 at USD 18,172. From a technical perspective we are seeing some negative divergences on the RSI, warning of the potential for a momentum slowdown. If they do fail it does not change our opinion that this upside move is part of a larger bear cycle. For more information on the technical please click on the link Supramax Technical Report 23/09/22 <https://fisapp.com/wp-content/uploads/2022/09/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-23-09-22.pdf>

Oil

It has taken five days, but the futures have now exited the consolidation phase with price moving lower today. The futures had warned this morning that price was rolling to the downside, resulting in sell side momentum increasing during the day. As we enter the European close for the week the futures are trading at USD 86.47; however, we have traded to a low of USD 85.50. Our view on this technical has been bearish since the downside move on the 07/09 signalled there was a larger Elliott wave cycle in play, warning the futures could target the USD 71.71 level for this phase of the cycle. There is still a long way to go, but with price no longer consolidating the technical once again looks vulnerable.

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