European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	20375	20175	-1.0%	Pmx 1 month forward	18875	17950	-4.9%
Cape Q422	18500	18425	-0.4%	Pmx Q422	17825	17250	-3.2%
Cape Cal 23	13781.5	13675	-0.8%	Pmx Cal 23	12550	12325	-1.8%

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Smx 1 month forward	19325	18675	-3.4%	Brent	86.65	84.43	-2.6%
Smx Q4 22	18125	17500	-3.4%	WTI	79.43	77.19	-2.8%
Smx Cal 23	12925	12662.5	-2.0%	Iron ore	96.3	95.65	-0.7%

Iron ore

Source FIS/Bloomberg

The futures have found a buying of support in the evening session having moved lower in the Asian day session. Technically little has changed in the October futures, upside moves that fail at or below USD 100.86 will leave the futures vulnerable to a test to the downside, above this level the near-term technical will have a neutral bias. Above USD 104.3 is potentially an early warning sign that the bearish wave cycle could be completing; however, the technical remains vulnerable below USD 110.95, only above USD 120.20 will we have confirmation the bear cycle has completed. Downside moves below USD 93.00 will imply that we are entering a larger bearish cycle.

Copper

Industrial metals recouped losses, while gold fluctuated after dollar's rally cooled, with traders assessing risks of a global recession. The greenback gave up some strength after earlier rising to a record, providing some relief for commodities that are priced in the US currency. Still, investors' appetite for the dollar as a haven asset in times of economic uncertainty means metals will likely remain under pressure going forward. Monetary tightening by global central banks to rein in rampant inflation risks a recession, clouding demand prospects for copper and other industrial metals (Bloomberg). A bit of a mixed technical today with the futures moving lower in the overnight session before the RSI held support, resulting in the futures moving higher this afternoon. Price is USD 20 down on the day with the technical below all key moving averages supported by the RSI below 50, upside moves that fail at or below USD 7,676 will leave the futures vulnerable to further tests to the downside, above this level the technical has a neutral bias. Technically bearish, lower timeframe wave analysis is warning that upside moves could be counter-trend at this point.

Capesize

The index is lower by USD 86.00 at USD 18,207 today but remains supported. A close below USD 16,429 would indicate that momentum based on price is weakening. The October futures moved lower on open alongside the rest of the commodity complex on the back of dollar strength; however, post index we saw some buying support meaning the futures are only small down on the day (USD 250). We have held the USD 18,513 level for now, supporting a bull argument, the technical is bullish, but above USD 21,000 the futures will create a negative divergence with the RSI, not a sell signal it does warn we could see a momentum slowdown ad will need to be monitored. Caution on upside moves at this point as the technical looks vulnerable due to the potential of further negative divergences.

Panamax

The index continues to weaken with price USD 32 lower today at USD 16,591. At this point the downside move is not strong, a close above USD 16,750 will mean that momentum based on price is strengthening. With the index still moving lower the October futures have come under pressure today with price USD 750 lower at USD 18,125. The futures failed to trade above the USD 19,300 high on Friday, if it had it will have created a negative divergence with the RSI. The daily technical remains bearish with a neutral bias, downside moves that hold at or above USD 16,440 will support a near-term bull argument, if broken the futures target the USD 15,250 fractal support. We maintain our view that this upside move is countertrend.

Supramax

The index is USD 59.00 higher today at USD 18,231, but buyside momentum is starting to slow. A close below USD 17,762 is needed for momentum to be seen to be weakening based on price. The October futures followed the Panamax footprint with the futures moving USD 650 lower, to close the day at USD 18,675. The difference between the two is that the Supramax is moving lower on the back of a negative divergence having failed to hold above the 200-period MA. The daily technical remains bearish (with a neutral bias) whilst our Elliott wave analysis suggests that this upside move is countertrend. The intraday technical is bullish (countering the bearish daily technical) but the support levels are starting to look vulnerable, if we hold USD 17,352 it will support a bull argument, below this level we target the USD 17,750 – USD 16,375 in the near-term, and USD 14,200 in the medium-term.

Oil

Oil reversed course as the dollar shed some of its strength and risk-on sentiment lifted equity markets. The global oil benchmark rose 1% to trade near \$87 a barrel on Monday. Earlier, Brent slipped below \$85 a barrel and West Texas Intermediate fell below \$80 as the dollar hit an all-time high, which makes commodities priced in the currency less attractive. Meanwhile, the EU continues to struggle with reaching an agreement on Russian oil price caps and will likely push back the deal until a broader sanctions package has been agreed on. "The market remains in a pretty nervous trade," said Dennis Kissler, senior vice president at Bok Financial Securities. "Markets are rallying back a little bit this morning, mainly because we're seeing the US dollar also set back a bit." (Bloomberg). The futures had moved higher on USD weakness and a positive divergence with the RSI. However, going into the close the BOE have said they will raise rates if necessary, resulting in the USD basket moving up again, pushing oil back to its lows. The new low has created another positive divergence on the 1-hour technical that will need to be monitored; however, our long-term Elliott wave cycle remains bearish.

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