

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	20000	17000	-15.0%	Pmx 1 month forward	19200	18000	-6.3%
Cape Q422	18500	16375	-11.5%	Pmx Q422	18150	16925	-6.7%
Cape Cal 23	13681.5	13225	-3.3%	Pmx Cal 23	12625	12175	-3.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	19500	18700	-4.1%	Brent	85.69	89.07	3.9%
Smx Q4 22	18375	17725	-3.5%	WTI	77.96	81.84	5.0%
Smx Cal 23	12950	12650	-2.3%	Iron ore	97.3	94.95	-2.4%

Iron ore

Source FIS/Bloomberg

A bit of a mixed market today with the October futures selling lower have rejected the channel resistance yesterday; however, price held above the USD 94.20 fractal support and the mid-line of the bear channel, resulting in the futures moving higher in the evening session. The technical remains bearish but the directional bias is neutral, below USD 93.00 we are looking at potential wave extension to the downside, but the RSI now looks like it will produce a positive divergence on a new low, suggesting caution on downside breakouts. Likewise, we remain below the USD 100.86 resistance, meaning the technical remains vulnerable. Bearish, but directionally not as clear as it should be, suggesting an air of neutrality in the market.

Copper

Gold and copper rebounded from earlier losses after the Bank of England restarted its pandemic-era bond buying program, citing a risk to the UK's financial stability. The intervention by the BOE saw the dollar and Treasury yields pare early gains, providing a lift to metals which are priced in the greenback. Bullion and copper had earlier slid as much as 0.9% and 1.8%, respectively, due to the stronger dollar and higher rates (Bloomberg). As noted in the Bloomberg comment, the futures moved lower on the Asian open creating a positive divergence with the RSI, not a but signal it did warn we had the potential to see a momentum slowdown. However, it was the BOE intervention that pushed the USD lower and the copper futures higher, rather than the technical itself. We remain bearish, the divergence will need to be monitored, upside moves that fail at or below USD 7,652 will warn of potential further weakness.

Capesize

The index is USD 439 lower today at USD 17,477, suggesting buyside momentum is transitioning to the sell side. Having held trend support yesterday the futures came under selling pressure on the European open resulting in a gap down in price. This put the futures below trend support resulting in market sellers pushing price below the USD 17,250 fractal support. The intraday technical is now bearish having already moved lower on the back of the negative divergence on the 23/09. Technically we could be about to see a correction on our hands.

Panamax

The index is USD 219 higher today at USD 16,865, meaning momentum based on price is aligned to the buyside. The October contract is USD 1,200 lower today at USD 18,000 with price now below trend support on the intraday. If the futures cannot move above the support tomorrow, we could see a further weakening in the futures. For more information on the technical please click on the link. Panamax Technical Report 28/09/22 <https://fisapp.com/wp-content/uploads/2022/09/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-28-09-22.pdf>

Supramax

The index rose another USD 101 to USD 18,319 today meaning the technical although bearish now has a neutral bias. A close below USD 18,141 will warn that sell side momentum is increasing. The October futures needed to see a push on the open due to the negative divergence created by the new high yesterday. Our expectation has been that this trend should exhaust somewhere between USD 20,120 and USD 20,590, if we failed to trade above USD 20,120 then the probability that we could see more sustained correction would increase. The futures opened above the 200-period MA but came under pressure alongside the rest of the complex, resulting in the futures trading USD 800 lower on the day, to close at USD 18,700. This puts the futures below the channel support, warning the trend is now vulnerable, if we trade below USD 18,400 the intraday technical become bearish. As previously noted in the freight complex, our wave analysis had suggested that these upside moves we have been seeing looked to be countertrend. We are not bearish yet, but we are seeing a weakening in the futures complex warning fractal support levels could be broken.

Oil

The upside move above the mid-point in the bear channel yesterday on the back of a positive divergence warned that the technical looked to be supported. The mid-line was tested and held 3 times overnight and this morning, resulting in channel resistance being broken late morning, the futures are now USD 2.60 higher on the day at USD 88.90. Technically the longer-term trend is bearish based on our wave analysis, we noted on the morning report that we had expectations that the futures would trade up to around the USD 90.50 area, this remains the case. Intervention by Japan last week and the BOE today suggests governing bodies will try and stem this USD rally, if they succeed then it could affect the wave cycle. However, for now we see this move as countertrend with USD 90.50 an area of interest.

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