

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	17000	15525	-8.7%
Cape Q422	16375	15374.5	-6.1%
Cape Cal 23	13225	13375	1.1%

	Previous Close	Current Close	% Change
Pmx 1 month forward	18000	17550	-2.5%
Pmx Q422	16925	16516.5	-2.4%
Pmx Cal 23	12175	12125.5	-0.4%

	Previous Close	Current Close	% Change
Smx 1 month forward	18700	18000	-3.7%
Smx Q4 22	17725	17000	-4.1%
Smx Cal 23	12650	12594	-0.4%

	Previous Close	Current Close	% Change
Brent	89.27	89.14	-0.1%
WTI	81.88	82.29	0.5%
Iron ore	94.95	95.7	0.8%

Iron ore

Source FIS/Bloomberg

Iron ore rose on expectations China will implement policies that will bolster the construction sector during the fourth quarter, giving a much-needed boost to steel demand. The steelmaking ingredient climbed as much as 2.8% in Singapore, paring most of Wednesday’s fall. The rally followed a meeting chaired by Premier Li Keqiang, which reaffirmed the government’s plan to front-load next year’s special government bond quota (Bloomberg). We continue to see consolidation in the October contract with price testing the upper trend channel (USD 96.26). If the futures can close above and hold above this level, we could see upside resistance levels be tested. Likewise, a rejection of the trend resistance will put the USD 94.20 support in the spotlight. The trend is bearish but the technical has a neutral bias.

Copper

We noted on the morning technical that the upside move above the fractal resistance indicated the bearish cycle had completed. Momentum had been a concern; however, the futures have now moved higher meaning the RSI is above 50 with the futures trading between the EMA resistance band. Upside moves that fail at or below USD 7,835 will warn that there is potentially larger bear cycle in play, above this level we target the USD 8,153 high.

Capesize

The index had warned yesterday that we could see a break to the downside if we closed below USD 17,045. We are USD 1,275 lower today means momentum is weakening based on price. We noted on the morning technical yesterday that the 3 peaks, negative divergence, and trend break had warned that the USD 17,250 fractal support would come under pressure, which it did. Price opened around yesterdays lows indicating the futures remain weak, resulting in the October contract dropping another USD 1,475 to close the day at USD 15,525. The technical is now bearish, if we trade below USD 15,250 tomorrow it will further support the seller’s argument. Upside moves that fail at or below USD 19,130 will leave the futures vulnerable to further tests to the downside, above this level it will have a neutral bias.

Panamax

The index is bucking the trend with price rising USD 366 to USD 17,231, further confirming momentum is bullish based on price. However, golden week is upon us meaning the futures are not sharing the same sentiment with the October contract closing the day USD 450 lower at USD 17,550. Previously the technical had been bearish with a neutral bias, the downside move below USD 17,500 in the morning session means we are once again bearish. Focus is now on the RSI which is near neutral at USD 49.40 whilst the stochastic is oversold. If the RSI moves back above and holds above the 50 then momentum will be vulnerable to a test to the upside; likewise, if it stays below 50 then the oversold stochastic is considered as less relevant, suggesting we could see further selling pressure.

Supramax

The index came in USD 66 lower today at USD 18,411, below USD 18,268 momentum will be seen to be weakening based on price. The negative sentiment has followed through to the paper, the October contract had been supported on the open even though the futures were below channel support and the 200-period RSI. The weak afternoon session means we are below the USD 18,400 fractal support, the technical is now bearish, meaning we target the USD 16,375 fractal next.

Oil

NATO said that a series of leaks on the Nord Stream pipelines between Russia and Europe were the result of acts of sabotage that would be met with a collective response from the military alliance. The statement, from the North Atlantic Council, the decision-making body of the North Atlantic Treaty Organization, didn't provide details or evidence. But it marks the first time the alliance has formally warned of a military response following the now four documented leaks in the Nord Stream and Nord Stream 2 pipelines. NATO Secretary-General Jens Stoltenberg separately wrote on Twitter that the sabotage on the pipelines was of "deep concern." (Bloomberg). We have this upside move as countertrend with a resistance target between USD 90.15 – USD 90.50 on the morning report. The futures have traded to a high of USD 90.12 meaning resistance remains intact; the 1-hour technical is bullish but the cycle is bearish, above USD 90.15 it will have a neutral bias. A divergence on the 60 min chart will need to be monitored as it is warning we could see a momentum slowdown; however, following the NATO comments this afternoon we should probably be focusing on the news wire to see where the finger is pointed!

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