

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	17500	16675	-4.7%
Cape Q422	17750	17375	-2.1%
Cape Cal 23	13819	13575	-1.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	18050	18150	0.6%
Pmx Q422	18000	17975	-0.1%
Pmx Cal 23	12700	12800	0.8%

	Previous Close	Current Close	% Change
Smx 1 month forward	18325	18250	-0.4%
Smx Q4 22	18150	18050	-0.6%
Smx Cal 23	13000	12900	-0.8%

	Previous Close	Current Close	% Change
Brent	91.76	93.09	1.4%
WTI	86.37	87.46	1.3%
Iron ore	93.45	93.55	0.1%

Iron Ore

Source FIS/Bloomberg

The futures opened, tested the channel resistance before ticking lower. The futures remain subdued to China being closed.

Copper

Copper fell as the dollar strengthened with traders assessing the outlook for monetary policy amid ongoing signs of supply tightness. Copper slid as much as 1.7%, trimming a gain on Tuesday that was helped by weaker US jobs data. Fresh data showed the US economy remains resilient, dimming hopes earlier this week that a softer labour market in the country may see the Federal Reserve slow its aggressive rate hikes, which have plagued investor demand for metals (Bloomberg). The futures moved higher on the Asian open before correcting on this afternoon. The intraday technical remains bullish with price holding above the EMA resistance band, the intraday trend itself is not considered as stable. Downside moves that hold at or above USD 7,528 will support a bull argument, below this level the technical will have a neutral bias.

Capesize

A very mixed day today, the index is USD 2,564 higher at USD 21,175, meaning the RSI is above 64. However, the paper has reacted badly meaning the futures are conflicting with the index. For more information on the technical, please follow the link. Capesize Technical Report 05/10/22 <https://fisapp.com/wp-content/uploads/2022/10/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-05-10-22.pdf>

Panamax

A big index today with price USD 860 higher at USD 18,511. The futures suffered a similar day to the Capesize, a strong upside move in the morning with the November futures trading to a high of USD 18,950 before giving back most of its gains to close the day USD 100 at USD 18,150. Crucially this means the USD 19,300 fractal resistance remains intact, as noted on the morning report, if we close above this level it will bring a bullish inverse head and shoulders pattern into play, warning resistance levels could be vulnerable. A bearish rejection candle from a point of resistance is warning we could be vulnerable to a test to the downside tomorrow, if however, we trade above the USD 18,950 high of today it will have bullish implications going forward, suggesting the USD 19,300 high will be broken. Technically bearish with a neutral bias, market shorts will want to see a close below USD 18,025 tomorrow.

Supramax

Another upside move in the index today with price USD 90 higher at USD 18,441. Having seen a short squeeze in the futures yesterday the futures found bids fading posit index with the Nov contract trading to a high of USD 19,000 in the morning session before closing down USD 25.00 on the day at USD 18,300. Technically the futures are bearish with a neutral bias on the intraday and bullish with a neutral bias on the daily. A bearish rejection candle today is warning that we could see lower pricing tomorrow; however, as with all three sectors, the rejection candle is into a strong bull candle from the previous day, suggesting a lower close is needed as the technical is not as clear cut as a simple rejection candle.

Oil

The world's most influential oil cartel, OPEC+, has agreed to its deepest cuts in production since the pandemic, despite tight markets and US pressure. OPEC+, which includes OPEC and allies such as Russia, have decided to cut oil output by 2m barrels per day following a meet in Vienna, Austria. The organisation is eager to bolster oil prices, which have slid from a 14-year high of \$139 per barrel to around \$90 per barrel on both major benchmarks this month. Following the announcement, Brent Crude and WTI Crude surged around two per cent to \$93.70 and \$88.12 respectively. This follows growing expectations of a recession, leading to reduced demand across major economies. It is the second consecutive month OPEC+ has cut its output targets, having slashed them by 100,000 barrels per day last month (Bloomberg). A deep cut had been expected and has come in at 2 million BPD, pushing the futures above the USD 93.50 fractal resistance, suggesting the bearish wave count has potentially completed this phase of the cycle as the futures have broken a key fractal resistance. Upside moves that fail at or below USD 98.04 will mean that the larger bearish wave 3 remains in play; if however, we trade above this level the technical becomes neutral. On paper we remain in a bearish wave 3 with price potentially completing a lower timeframe cycle, wave analysis is based on the psychological footprint and that will have been damaged by the OPEC cut, suggesting caution at this point.

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