



European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change
Cape 1 month forward	15500	16000	3.2%
Cape Q422	16083.5	16300	1.3%
Cape Cal 23	13450	13375	-0.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	17450	17975	3.0%
Pmx Q422	17475	17750	1.6%
Pmx Cal 23	12725	12825	0.8%

	Previous Close	Current Close	% Change
Smx 1 month forward	18500	19025	2.8%
Smx Q4 22	18125	18475	1.9%
Smx Cal 23	12875	13325	3.5%

	Previous Close	Current Close	% Change
Brent	94.92	98.15	3.4%
WTI	88.96	92.39	3.9%
Iron ore	94	94.4	0.4%

Iron Ore

Source FIS/Bloomberg

Little price action for most of the day before dipping 45 cents lower into the close. The futures remain subdued due to China being closed.

Copper

Having moved lower yesterday the futures traded below the fractal support into the close, the intraday technical is now bearish based on price. The futures remained flat until the payroll figures in the U.S, prompting a dollar spike and another round of selling in the copper futures, with price trading to a low of USD 7,450 before finding light support as the USD gave back some of its gains. The intraday technical is bearish with upside moves that fail at or below USD 7,733 vulnerable to further tests to the downside, above this level the technical will have a neutral bias.

Capesize

The index continues to weaken with price USD 9,12 lower today at USD 19,874. The November futures had a mixed day with price coming under pressure on the open to trade to a low of USD 15,000 before finding buying support post index to trade to a high of USD 16,250. We close the week with a bearish intraday technical, a bullish daily but with a neutral bias, and an inverted hammer on the weekly candlestick. The inverted hammer candlestick pattern (or inverse hammer) is a candlestick that appears on a chart when there is pressure from buyers to push an asset's price up. It often appears at the bottom of a downtrend, signalling potential bullish reversal. The only problem with this candle is that there has not been a downtrend, just a one-week correction, meaning be aware if it, but remember it is not really in the right place. If we trade below USD 14,750 then expect further selling pressure, key resistance remains at USD 18,475. Oil is trading at USD 98.10

Panamax

Another bullish index today, but with price up only USD 32 to USD 17,780, suggesting we could see it starts to correct soon. Paper seems less convinced of a correction with the Nov contract moving USD 525 higher to USD 17,975. I am not sure why, maybe the futures are looking at the seasonality and thinking we have the potential to see another week of upside movement, or it could be an attempt to bring the inverse head and shoulders into play. Trying to get the tail to wag the dog perhaps? Either way, we have tested it two/three times and failed, warning momentum will need to see a big jump to convince an upside breakout will hold. Bearish with a neutral bias. Oil is pushing hard and, this could be a factor on the bunkers.

Supramax

A lovely bit of light reading for the way home/pub tonight. Supramax Technical Report 07/10/22 <https://fisapp.com/wp-content/uploads/2022/10/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-07-10-22.pdf>

Oil

Oil headed for the biggest weekly gain since early March as OPEC+ put the market on course for further tightening ahead of winter. West Texas Intermediate traded above \$90 a barrel on Friday, bringing futures close to 12% higher for the week, as Brent topped \$95 for the first time since mid-September. Time spreads were signalling supply scarcity even before the producer alliance announced its biggest output cut since the start of the pandemic, a move that's set to squeeze the market even more. The tightening outlook halted the slide in oil prices, which were weighed down by concerns over a global economic slowdown and aggressive rate hikes by central banks. Russia also reiterated this week that it won't sell oil to countries that adopt a US-led price cap, adding to supply uncertainty. Even as crude fell over the last quarter, the factors that were "pushing prices down were coming to an end," with the sustainability of Russian supply and continued releases from US oil reserves becoming uncertain, said Peter McNally, global sector lead for industrials, materials, and energy at Third Bridge. The cuts by OPEC+ leave the market vulnerable ahead of European sanctions on Russian oil imports and the likely return of Chinese demand at year-end. Aside from the rally in crude prices, diesel has been another pillar of oil market strength this week, as traders brace for scarce supply in the coming winter. Prices in Europe and the US are currently trading above \$160 a barrel. Meanwhile, the US Labour Department reported that the unemployment rate matched a five-decade low in September. The report sent equities crashing and the dollar rising on mounting fears that the US Federal Bank might continue rate hikes to combat inflation. In contrast with previous, crude held onto its rally, with supply fears at the forefront (Bloomberg). I thought we might see a technical pullback today, but I was wrong, the futures are moving higher despite USD strength, further bringing into question the longer-term wave count. We have broken the channel resistance with the RSI moving to new highs, giving us a 13.7% rally on the week, the biggest since just before the Russians invaded the Ukraine. The technical is bullish, the wave count isn't but I am not sure that carries any weight anymore!

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

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