FIS

European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	16000	14000	-12.5%
Cape Q422	16300	14650	-10.1%
Cape Cal 23	13375	13050	-2.4%

	Previous Close	Current Close	% Change
Pmx 1 month forward	17975	16950	-5.7%
Pmx Q422	17750	17000	-4.2%
Pmx Cal 23	12825	12562.5	-2.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	19025	18150	-4.6%
Smx Q4 22	18475	18225	-1.4%
Smx Cal 23	13325	13100	-1.7%

	Previous Close	Current Close	% Change
Brent	98.45	97.46	-1.0%
WTI	93.2	92.53	-0.7%
Iron ore	94.4	96.6	2.3%

Source FIS/Bloomberg

Iron Ore

Iron ore futures climbed in Singapore, with traders anticipating some restocking by Chinese steel mills after the week-long public holiday. The steelmaking material rose more than 2% to pass $95 a ton, after posting four weeks of declines amid prolonged demand gloom. Investors are looking for any signs that stimulus measures are taking effect, ahead of the Communist Party’s pivotal national congress that starts October 16. “Inventory levels are low and mills typically engage in inventory replenishment in the first week post the National Day holiday,” Holly Futures said in a note. China’s markets opened Monday for the first day of trading this month (Bloomberg). The futures moved higher in the Asian day session with price trading into the EMA resistance band on the daily chart. The upside move has failed to hold with price closing 20 cents lower in the Nov contract, meaning we have a small rejection candle in play, warning we could see lower pricing tomorrow. Upside moves above USD 97.30 (todays high) will warn that momentum based on price is strengthening, suggesting resistance levels could be tested.

Capesize

The index continues to weaken with price USD 456 lower at USD 19,418. Not a good day for the November futures, having rejected the USD 18,875 resistance last week, we have now broken the USD 14,750 fractal support. This was a double bottom support and the neckline of a bearish head and shoulders pattern, the technical is now bearish with the futures looking to test the USD 11,125 and USD 8,575 support levels.

Panamax

The index is now on the turn with price USD 68 lower at USD 18,712 today, below USD 18,435 momentum will be seen to be weakening based on price. The November futures moved USD 525 higher on Friday, and this left us a little confused as the index was already showing signs of a momentum slowdown. Price moved lower today with the futures closing USD - 1,025 at USD 16,950, below USD 16,871 we target the USD 15,800 and USD 15,250 intraday fractal supports. The rejection of the neckline of the inverse head and shoulders is suggesting technical weakness, below USD 15,250 the daily technical is bearish. The intraday technical is bearish neutral, below USD 16,871 it will be bearish. Technically, if you look at the daily chart, we are bullish but in a consolidation phase; however, this intraday technical is weakening, warning daily support levels could soon be broken.

Supramax

The index continues to rise but we are now seeing a momentum slowdown. We noted on the technical report on Friday that although we have a bullish inverse head and shoulders pattern (that was coming into play), we had concerns due to the pattern already failing too breakout a couple of times, suggesting buyside momentum was weak. The seasonality on the chart alongside our Elliott wave analysis warned that any upside move could fail to hold. The November futures have followed the rest of the freight complex lower today with the futures closing at USD 18,150, down USD 875 on the day. The daily technical is bullish with price rejecting the EMA resistance band, the intraday technical is bearish. Downside moves that trade below USD 17,500 will warn that the USD 16,375 support will be vulnerable, at this point the daily technical becomes bearish. The daily RSI is at 49, the stochastic is at 67, momentum is looking vulnerable to a test to the downside.

Oil

The US shale industry's growth engine is slowing as closely held oil drillers retreat, according to Bank of America Corp. Private explorers are reining in activity amid surging service costs and a shrinking inventory of yet-to-be-drilled land, the bank said in a note to clients dated Sunday. Closely held producers drove most of the increase in drilling rigs this year. Private drillers have added only five rigs in the past six weeks, down from an average of about three a week this year through August, analysts including Chase Mulvehill wrote. Closely held producers could curb activity even more into 2023, the analysts said. Many explorers backed by private equity firms "are looking to preserve drilling inventory, with a goal of future monetization" if they're acquired by a public company, according to the note. At current activity levels, these producers "would burn through their drilling inventory." (Bloomberg). The upside move above USD 98.05 on Friday means the longer-term bearish wave count is now neutral. Due to the OPEC cut, the psychological footprint is unlikely to be bearish regardless of the Elliott wave, the technical itself is bullish due to the futures making higher highs and higher lows. Downside moves that hold at or above USD 90.57 will support a bull argument, below this level the technical will have a neutral bias.

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