



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	14375	13875	-3.5%	Pmx 1 month forward	16750	16200	-3.3%
Cape Q422	15200	14575	-4.1%	Pmx Q422	16575	16300	-1.7%
Cape Cal 23	13500	13425	-0.6%	Pmx Cal 23	12625	12362.5	-2.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	17200	16900	-1.7%	Brent	92.41	94.85	2.6%
Smx Q4 22	16925	16600	-1.9%	WTI	87.1	89.61	2.9%
Smx Cal 23	12800	12475	-2.5%	Iron ore	94	91.85	-2.3%

Iron ore

Source FIS/Bloomberg

The November futures moved lower this afternoon after the U.S. CPI figures came in higher than expected at 8.3% YoY (consensus 8.1%). The downside moves below USD 92.00 has created a lower low in the futures, meaning the intraday 4-hour technical is showing a positive divergence with the RSI, not a buy signal it does warn we have the potential to see a momentum slowdown. Upside moves that fail at or below USD 95.41 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias, only above USD 97.30 are we bullish. Technically bearish, we now have a potential downside target based on Fibonacci projections at USD 87.49; however, the divergence will need to be monitored.

Copper

Gold tumbled the most in more than two weeks after hotter-than-expected US inflation data set the stage for more aggressive interest-rate hikes by the Federal Reserve. Copper also slipped. The core consumer price index, which excludes food and energy, increased 6.6% from a year ago, the highest level since 1982, Labor Department data showed Thursday. Overall CPI increased 0.4% last month and was up 8.2% from a year earlier. The dollar and Treasury yields spiked after the print, weighing on bullion since it is priced in the greenback and pays no interest (Bloomberg). Having been neutral for the last few days the futures have come under pressure this afternoon on the back of the CPI figure with price testing but holding the USD 7,372 support level. The USD basket initially rallied to a two-week high but has since come under pressure, resulting in copper closing the E.U session unchanged on the day, leaving the futures back in neutral territory.

Capesize

The index continues to weaken with price USD 876 lower at USD 17,365, the downside moves below USD 17,892 means we now target the USD 16,202 fractal support. The futures continue to trade at around a USD 4,000 discount to the index with the November contract closing the day USD 500 lower at USD 13,875. Technically we remain bearish having broken to the downside on the H&S pattern; however, futures have found support post index due to a positive divergence on the 4-hour technical. This is not a buy signal; it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. Key resistance is at USD 16,965 on the daily chart, the futures remain vulnerable below this level and neutral above.

Panamax

A weaker index today with price USD 527 lower at USD 17,460. For more information on the technical please click on the link. Panamax Technical Report 13/10/22 <https://fisapp.com/wp-content/uploads/2022/10/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-13-10-22.pdf>

Supramax

Downside momentum is starting to increase in the index with price USD 134 lower at USD 18,654. The close today means that momentum based on price is now aligned to the sell side. The futures did move lower today with the futures trading down to USD 16,475 in the morning; however, with the Nov contract at a USD 2,000 discount to the index and fractal support zone between USD 16,425 and USD 16,375 on the daily technical the futures found some buying support post index, to close the day at USD 16,900. Technically we remain vulnerable to further tests to the downside, but we will need to see the index play catch up first by the looks of it. If downside momentum increases in the index, then support in the paper will not hold.

Oil

The White House accused Saudi Arabia of coercing other OPEC+ countries into agreeing to a huge cut in oil production last week, escalating a dispute with Riyadh over the move, and said the administration had asked the kingdom for a delay that would effectively postpone a decision until after US midterm elections. National Security Council spokesman John Kirby said in a statement Thursday that the administration had provided the Saudis with analysis showing “no market basis” for a production cut. “Other OPEC nations communicated to us privately that they also disagreed with the Saudi decision, but felt coerced to support Saudi’s direction,” Kirby said. The Saudi government suggested Wednesday that the US had sought a one-month delay of the decision, which would mean no production cut until after US midterm elections in November that will decide control of the House and Senate. Kirby confirmed the US had sought a delay (Bloomberg). A bit of a bun fight between the U.S Saudis should be no real surprise, politics and oil are effectively the same thing after all. Meanwhile back in the real world we have seen the futures move lower on the back of the CPI figure, before recovering on the USD weakness. Annoyingly I had key support at USD 91.15 and the futures traded to USD 91.08, that may seem like a great call as the futures are trading at USD 94.40 as we write. However, it means the daily technical although bullish, now has a neutral bias on the back of a deep pull-back. Such is life.

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