FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	15375	13500	-12.2%
Cape Q422	15866.5	14625	-7.8%
Cape Cal 23	13475	13400	-0.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	16925	16625	-1.8%
Pmx Q422	16825	16537.5	-1.7%
Pmx Cal 23	12650	12612.5	-0.3%

	Previous Close	Current Close	% Change
Smx 1 month forward	17375	16800	-3.3%
Smx Q4 22	17225	16800	-2.5%
Smx Cal 23	12675	12625	-0.4%

	Previous Close	Current Close	% Change
Brent	91.63	92.12	0.5%
WTI	85.61	86.03	0.5%
Iron ore	93.77	91.61	-2.3%

Source FIS/Bloomberg

Iron Ore

Iron ore added to five weeks of declines after Chinese President Xi Jinping offered no immediate prospect of changes to policies that have ravaged steel demand over the past year. Opening the Communist Party's pivotal congress in Beijing on Sunday, China's leader reiterated his zero-tolerance approach to the epidemic, denting optimism for an imminent roll-back of stringent rules to quash outbreaks. There was also little new on the crisis-wracked property sector (Bloomberg). As highlighted on the morning report, the November contract is bearish having traded to a low of USD 91.45; however, due to 3 intraday positive divergences with the RSI the futures are not considered a sell at this point. Upside moves that fail at or below USD 95.31 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.

Copper

Very little to say above the futures today, the intraday EMA band is as flat as a spirit level, indicating a lack of trend in the market, the technical itself is considered bearish but there is now a strong neutral bias due to the EMA's.

Capesize

We witnessed a strong upside move in the futures on Friday as expectations had been for the index to come in around 1,500 higher, instead it was up only 600. Price is only USD 168 higher today at USD 18,133 meaning we have not had the bullish follow through that is needed to keep the futures supported. The November contract came under pressure on the open with price dropping USD 1,875 to close at USD 13,500. The technical is bearish having rejected the Fibonacci and 55-period EMA with the futures trading below the USD 13,500 fractal support, warning the USD 11,125 level is vulnerable. The futures are now trading at a discount of USD 4,600 to the index, meaning we will need to see further weakening in the physical for downside continuation, otherwise we could see price move higher in the morning. If you look at index valuation on the 3 main sectors we range between USD 17,460 and USD 18,460; however, the cape front month futures are at a discount to the Panamax and Supramax front month by over USD 3,500. Again, suggesting we could see buying support if we do not see a weak index tomorrow.

Panamax

Downside momentum in the futures slowed down on Friday due to the index only being USD 67.00 lower. A positive number today with price USD 67.00 higher at USD 17,460, above USD 17,815 will warn that momentum based on price is starting to strengthen. The November contract initially moved higher but has closed USD 300 lower are USD 16,625, potentially on Capsize weakness, resulting in an inside day candle pattern. Technically we remain bearish, upside moves that fail at or below USD 17,904 leaving the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Upside moves above USD 17,000 will warn that resistance levels could be tested (inside day breakout); likewise, a move below USD 16,375 would suggest downside continuation, targeting the USD 15,875 – USD 15,800 support zone. Technically bearish but a neutral day today.

Supramax

The index continues to weaken with price USD 128 lower at USD 18,460. Having risen on Friday the futures came under pressure today with the Nov contract closing USD 575 lower at USD 16,800. Technically we remain bearish on the intraday technical with the daily chart in consolidation, a downside move and close below USD 16,375 is will warn that the USD 14,200 support is vulnerable; likewise, a close above USD 19,500 will warn resistance levels could be tested. Seasonality and Elliott wave analysis is warning that we could see a move to the downside.

Oil

Oil prices held steady on Monday in choppy trading as China's continuation of loose monetary policy offset fears that high inflation and energy costs could drag the global economy into recession. Brent crude futures were down 2 cents, or 0.02%, to $91.67 a barrel by 11:37 a.m. EDT (1537 GMT), recovering from a 6.4% fall last week. U.S. West Texas Intermediate crude was up 4 cents, or 0.4%, at $85.57 after a 7.6% decline last week. "U.S. inflation remains a front topic and with the Fed set to raise rates at least into next year, there are fears that demand destruction will escalate," said Dennis Kissler, senior vice president of trading at BOK Financial. China's central bank rolled over maturing medium-term policy loans on Monday while keeping its key interest rate unchanged for a second month, in a signal that loose monetary policy would be maintained (investing.com). A bit of a mixed day in the futures, momentum warned this morning that we could see an intraday pullback; however, downside breakouts would be into a support zone, suggesting caution. The futures traded to a low of USD 90.83 but moved higher to close the E.U session at USD 92.27.

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