



# European Close

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

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	14500	14925	2.9%	Pmx 1 month forward	16625	17375	4.5%
Cape Q1 23	7500	7625	1.7%	Pmx Q1 23	11700	12000	2.6%
Cape Cal 23	13400	13450	0.4%	Pmx Cal 23	12612.5	12700	0.7%
Smx 1 month forward	16800	17625	4.9%	Brent	91.62	89.25	-2.6%
Smx Q1 23	12225	12650	3.5%	WTI	85.46	82.54	-3.4%
Smx Cal 23	12625	12925	2.4%	Iron ore	91.61	92.63	1.1%

Iron ore

Source FIS/Bloomberg

Iron ore's rout is deepening, with prices threatening to drop to their weakest since 2020 without fresh, positive news on Chinese demand. The absence of any major policy boost from this week's Communist Party congress is weighing on sentiment, and Singapore futures are now just a few dollars away from what would be their lowest close since the global demand shock in the early phase of the Covid-19 pandemic (Bloomberg). Interestingly, although bearish, I do not think the futures are a technical sell at this point. For more information on the technical, please click on the link. Iron Ore November 22 (rolling Front Month) 18/10/22 <https://fisapp.com/wp-content/uploads/2022/10/FIS-Iron-Ore-Technical-18-10-22.pdf>

## Copper

Copper slipped after inventories in Shanghai spiked by a record to ease supply stress in the top metals-consuming country, while the demand outlook continued to be pressured by the potential for more Federal Reserve monetary tightening. The metal, which has slumped 30% from a March record, received some support last week after buyers in China faced extremely low inventories (Bloomberg). We are seeing a move to the downside today having seen price consolidate for the last eight session. We need to see a close below USD 7,402 for confirmation that the range is broken. Technically we are bearish, there is some movement at last, but we need to see more to confirm a breakout.

## Capesize

We noted yesterday that based on the sector index's; the cape futures had looked undervalued. However, post my close report last night, the Transnet strike ended after a pay agreement was reached with its union, resulting in a move from USD 13,500 to 14,500 on the close. This was followed by some further upside price action on the open in the futures. The index is USD 498 higher at USD 18,631, which is also giving the front month futures support. Price is up USD 425 on the day at USD 14,925, from a seasonality perspective there is caution from market buyers. This has been a bear year, seasonality has not played out; however, in a bear year, one would expect the bear seasonality to count. The market seems to think this might be the case, it is up, but only small. Key resistance remains unchanged at USD 16,965; we are bearish below this level and neutral above.

## Panamax

Better in the Panamax today as the index is USD 424 higher at USD 17,884, momentum based on price is turning bullish again. Having held support on the 13/10 we have seen the futures move higher once again; the November contract is up USD 825 at USD 17,450. Upside moves that fail at or below USD 17,904 will leave the intraday technical vulnerable to a test to the downside, above this level we have a neutral bias. At this point the technical is consolidating between USD 19,300 and USD 15,250. It is a wide range, but we have been in it for over 4 weeks now. We lack a directional bias, and this is highlighted by the daily averages which are now flat.

## Supramax

The index continues to weaken but having been USD 128 lower yesterday we are only USD 5.00 lower at USD 18,455 today. alongside the rest of the sector the front month futures put in a bull day with price USD 825 higher at USD 17,625. Like the Panamax, we have spent the last 4 weeks in consolidation between USD 16,375 and USD 19,500. The upside move today failed at the 200 period intraday moving average (USD 17,892 – High, USD 17,875) with the futures showing a small rejection on the 4-hour candle. Technically we are neutral due to the consolidation, with the 34 and 55 period EMA's looking like the averages to watch on the daily chart.

## TD3C

Tanker report today. TD3C November 22 18/10/22 <https://fisapp.com/wp-content/uploads/2022/10/FIS-Technical-Tankers-Nov-22-18-10-22.pdf>

## Oil

The Biden administration is moving toward a release of at least another 10 million to 15 million barrels of oil from the nation's emergency stockpile in a bid to balance markets and keep gasoline prices from climbing further, according to people familiar with the matter. The move would effectively represent the tail end of a program announced in the spring to release a total of 180 million barrels of crude from the Strategic Petroleum Reserve. About 165 million barrels has been delivered or put under contract since the program was put into effect (Bloomberg). As you can imagine, the futures did not respond well with price breaking the USD 90.57 support, and the intraday support zone highlighted on the morning report. For more information on the technical please click on the link. FIS Technical – Brent Dec 22 18/10/22 <https://fisapp.com/wp-content/uploads/2022/10/FIS-Oil-Technical-Report-18-10-22.pdf>

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

[EdwardH@freightinvestor.com](mailto:EdwardH@freightinvestor.com)