



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	14925	13675	-8.4%	Pmx 1 month forward	17350	17100	-1.4%
Cape Q1 23	7625	7375	-3.3%	Pmx Q1 23	12000	11900	-0.8%
Cape Cal 23	13450	13125	-2.4%	Pmx Cal 23	12725	12500	-1.8%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	17625	17450	-1.0%	Brent	90.03	91.55	1.7%
Smx Q1 23	12650	12400	-2.0%	WTI	82.82	84.52	2.1%
Smx Cal 23	12925	12762.5	-1.3%	Iron ore	92.63	92.05	-0.6%

Iron Ore

Source FIS/Bloomberg

Global steel demand is set to contract this year as Europe's energy crisis and China's economic slowdown undercut consumption, according to the World Steel Association. Demand for the metal -- which is widely viewed as an economic barometer -- will drop 2.3% in 2022, bucking an April outlook for a small increase, the group said in research published Wednesday. Consumption in top producer China is set to contract 4% due to the slump in its property sector (Bloomberg). The futures remain technically bearish with the November contract trading lower in the to a low of USD 91.13. Technically bearish we maintain our view that the futures are not considered a 'technical' sell at this point due to the intraday divergences.

Copper

The International Copper Study Group expects the global refined copper market to be in a 155,000-ton surplus next year, the organization said in an emailed statement. The market is expected to be in a 325,000-ton deficit this year, with usage growing 2.2% overall, it said. Consumption growth will slow to 1.4% y/y in 2023, while mined production growth will accelerate to 5.3%, up from a 3.9% expansion this year. The pipeline of copper projects is improving, with expansions in the DRC, Peru and Chile all contributing to higher mined output. This year's deficit has been driven by "high Chinese apparent usage and constrained growth in copper production" (Bloomberg). Technically bearish on the morning report with the move below USD 7,402 warning that the USD 7,344 and USD 7,276 are now vulnerable. The futures moved lower with price trading to a low of USD 7,347.5 before finding light buying support. Upside moves that fail at or below USD 7,568 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias. Bearish, we maintain our view that both the USD 7,344 and USD 7,276 support levels remain vulnerable.

Capesize

A weakening future on the open had warned we could see a negative index today which has been the case with price coming in USD 309 lower at USD 18,322. For more information on the technical please click on the link. Capesize Technical Report 19/10/22 <https://fisapp.com/wp-content/uploads/2022/10/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-19-10-22.pdf>

Panamax

The index moved higher today by USD 255 to USD 18,139, signalling that we are already seeing a bit of a slowdown. In the futures we had a mixed day as price came under pressure on the open, meaning the USD 17,904 resistance remained intact, warning the futures are vulnerable to a downside move. However, we traded into the 8-21 period EMA's and didn't really move from there for the rest of the day. A bearish day but with a neutral bias as the daily tech is in range, intraday price and momentum are conflicting (neutral) whilst price is between the EMA's. A dark cloud cover pattern is warning that we could see further weakness tomorrow.

Supramax

A flat index today with price staying at USD 18,455. The futures opened lower but found buying support resulting in a bullish rejection candle on the 4-hour chart. This has left the futures in a bit of a stalemate, as we closed yesterday with a bearish rejection candle. We noted that on the morning report that we would need to get some directional bias from the index for the next move due to the conflicting candle; however, with that coming in flat the futures did very little. We closed the Nov up USD 200 from the open, but down USD 175 on the day.

Oil

Diesel demand is surging in the US while supplies remain at the lowest seasonal level ever, according to government data released Wednesday. The shortage of the fuel used for heating and trucking is a key worry for the Biden administration heading into winter -- and ahead of the November election. National Economic Council Director Brian Deese told Bloomberg TV Wednesday that that diesel inventories are "unacceptably low" and "all options are on the table" to build supplies and reduce retail prices (Bloomberg). Having traded just below the support zone yesterday the futures moved higher into the U.S close. A small dip on the Asian open held the support zone with price closing the day at USD 91.50, up USD 1.47 on the day. Technically bearish on the intraday and neutral on the daily with price holding in the support zone. Key near-term resistance is at USD 92.95, upside moves that fail above this level will leave the futures vulnerable to further tests to the downside.

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

EdwardH@freightinvestor.com

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