

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	10750	9825	-8.6%
Cape Q1 23	7150	6650	-7.0%
Cape Cal 23	12750	12400	-2.7%

	Previous Close	Current Close	% Change
Pmx 1 month forward	13975	13175	-5.7%
Pmx Q1 23	12200	11400	-6.6%
Pmx Cal 23	12800	12050	-5.9%

	Previous Close	Current Close	% Change
Smx 1 month forward	13350	12550	-6.0%
Smx Q1 23	11900	11200	-5.9%
Smx Cal 23	12575	12100	-3.8%

	Previous Close	Current Close	% Change
Brent	92.5	93.01	0.6%
WTI	85.21	85.81	0.7%
Iron ore	94.15	94.65	0.5%

Iron Ore

Source FIS/Bloomberg

Iron ore climbed for a third day after China beefed up support for its crisis-hit property sector and the government reported an on-year rise in nationwide steel production, boosting the outlook for demand. Futures topped \$95 a ton after surging more than 8% over the prior two sessions to close at the highest since mid-October. Regulators in the world’s largest iron ore importer have issued a 16-point plan to boost the real estate market, a move described by Loomis Sayles & Co. as a “game changer”. Mills in China produced almost 80 million tons of steel last month, according to data from the National Bureau of Statistics on Tuesday. That’s 11% more than in the same month a year ago but remains lower than September’s total and the year-to-date output still trails the pace seen in 2021 (Bloomberg). The futures continue to test the USD 96.05 resistance with price trading to a high of USD 96.00 in the Asian evening session. Upside moves above USD 96.05 will mean the intraday technical is bullish, whilst above USD 97.30 the daily technical becomes bullish. Technically we remain bearish with a neutral bias. The intraday technical is in balance here as the RSI has a minor divergence whilst the daily stochastic is testing resistance, warning the futures are vulnerable to a technical pullback.

Copper

Speculators have decreased their bullish LME copper bets by 3,886 net-long positions to 29,391, weekly bourse data on futures and options show. Long-only positions rose 10,510 lots to 295,086 in the week ending Nov. 11. The long-only total was the highest in more than 10 weeks. Short-only positions rose 14,396 lots to 265,696. The short-only total was the highest in more than 10 weeks (Bloomberg). The futures are currently in a corrective phase, having initially opened higher the futures are now USD 25.50 down on the day at USD 8,349.5. The longer-term technical is bullish based on our wave analysis with momentum indicators suggesting downside moves should be considered as countertrend. Price and momentum are aligned to the sell side going into the E.U close with key support to follow at USD 8,119, the futures are bullish above this level and neutral below.

Capesize

A bearish index today with price USD 624 lower at USD 11,371. We noted last week that the USD 10,150 support was starting to look vulnerable again having broken the rising channel to the downside. Price has traded to new lows today with the Dec contract closing the day USD 925 lower at USD 9,825. The technical is bearish with price below all key moving averages, supported by the RSI below 50. However, the new low has created a positive divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown and will need to be monitored. Upside moves that fail at or below USD 11,042 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias, only above USD 11,675 is the technical bullish.

Panamax

The index is USD 128 higher today at USD 13,795; however, the front month futures seem unconvinced with price moving USD 800 lower to close at USD 13,175. Our wave analysis had suggested the upside moves looked to be countertrend, the downside move today means intraday price and momentum now aligned to the sell side. Corrective moves lower that hold at or above USD 12,840 will support a near-term bull argument, below this level we target the USD 11,800 low. Technically bearish, the RSI is dropping below 50 on the intraday with the stochastic moving below 70, implying momentum is weakening, suggesting support levels could come under pressure tomorrow.

Supramax

The index continues to weaken with price USD 114 lower at USD 13,050. The Dec futures had only just confirmed that we had entered a countertrend wave 4 last week, the downside move to a new low means we are now on a bearish wave 5. The intraday technical is now in divergence; however, Elliott wave analysis using the William's approach suggests we have a potential downside target as low as USD 9,703. This looks to be a wave 5 of wave 5 (of Wave C), in theory this should be the last bear wave of this cycle (Theory, as we know waves can and do extend at times). Upside moves above USD 13,800 will mean the intraday technical will be bullish, at this point we would be looking at cycle completion (if my count is correct). Technically bearish, the divergence will need to be monitored.

Oil

Oil dropped as demand forecasts show consumption falling in the near term, taking some of the edge off of concerns about tightening supplies heading into winter. West Texas Intermediate futures fell 1.2% to trade below \$85 a barrel Tuesday. The International Energy Agency said global oil consumption is poised to contract by 240,000 barrels a day this quarter compared with a year ago. Earlier this week, OPEC cut its fourth-quarter demand forecast (Bloomberg). The futures dropped in the morning session; however, U.S. producer prices came in lower than expected, driving the USD lower and oil higher. We noted on the morning technical that there was a positive divergence in play that will have also been a factor in the upside move. It will be interesting to see if the technical can find a directional bias, it is bearish based on price, but the weakening USD will be countering weakening demand. In theory demand should win this, but we know this is not always the case, so it is probably best to wait for some form of trend confirmation as the technical has been a little whippy in recent days.

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