FIS

European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	9350	8850	-5.3%
Cape Q1 23	6375	6100	-4.3%
Cape Cal 23	12325	11862.5	-3.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	12075	11325	-6.2%
Pmx Q1 23	11050	10650	-3.6%
Pmx Cal 23	12025	11650	-3.1%

	Previous Close	Current Close	% Change
Smx 1 month forward	12425	11900	-4.2%
Smx Q1 23	10975	10875	-0.9%
Smx Cal 23	12250	11950	-2.4%

	Previous Close	Current Close	% Change
Brent	87.79	89.67	2.1%
WTI	79.74	82.06	2.9%
Iron ore	95.4	93	-2.5%

Source FIS/Bloomberg

Iron Ore

Iron ore's recent romp that took prices back to within touching distance of $100/ton will likely prove to be a head fake, luring optimists back into the market before prices take another leg lower. Futures roared more than 20% higher in the three weeks to last Friday in a brief but-pronounced rally driven by speculation that Beijing was pivoting meaningfully away from Covid Zero, plus the announcement of more muscular support for the property sector. The former proved to be overblown as officials now look to be back in lockdown mode with cases swelling toward a record. The latter will take time to make a difference and may prove insufficient. On the supply side, miners are still working their shovels and ships hard. In Brazil, daily average exports of iron ore in the first third of November were tracking above year-ago levels. In Australia, bulk-export terminal Port Hedland just set a record for flows in the month of October. Simply put, the commodity's sell-off hasn't yet run its course (Bloomberg). The futures moved lower during the bulk of the day with the Dec contract trading down to USD 92.90 before finding light buying support in the evening that has pushed the futures a dollar higher. The intraday technical is bearish, but the RSI is holding above the 50 level whilst price holding above the 55-period EMA with the stochastic in oversold territory, momentum is warning that the futures are vulnerable to a test to the upside, providing the RSI can hold above 50. The intraday is bearish but we are cautious due to the momentum indicators.

Copper

Copper rebounded from its lowest close in more than two weeks, taking support from China's measures to stabilize the property sector and a weaker dollar. Metals opened this week with a steep drop amid fears over the impact of China's surging virus cases and widening Covid restrictions. But investors are also heeding Beijing's latest efforts to steady the economy -- including a call from financial regulators for banks to stabilize lending to real-estate developers and construction firms (Bloomberg). The futures traded below the USD 7,872 support yesterday meaning the intraday technical is now bearish. However, buying support on the Asian open and a weaker USD has resulted in an intraday move to the upside; The futures traded to a high of USD 8,090 before technical sellers pushed the futures lower. Key resistance is at USD 8,347, the futures are bearish below and neutral above.

Capesize

The upside move in the index yesterday has been short lived with price USD 306 lower today at USD 9,057. The Dec futures rejected the 21 period EMA on the open with price trading to a low of USD 8,800 into the close. The technical remains bearish below all key moving averages with the RSI below 50; however, we remain cautious on downside moves below USD 8,525, as the RSI will produce a positive divergence with the RSI, not a buy signal it will warn that we have the potential to see a momentum slowdown.

Panamax

Another bearish index today with price USD 474 lower at USD 12,127. The Dec futures gave up yesterdays gains with price closing on the low of the day at USD 11,325, the technical is bearish but in divergence with the RSI; however, we noted yesterday that the wave cycle looks to be lagging the rest of the sector as price is yet to trade below the USD 9,225 low from August, suggesting there is further downside to come. Bearish and in divergence, we maintain our view that there will be more downside in this cycle.

Supramax

The index continues to grind out bearish numbers with price USD 44 lower today at USD 12,756. Like the rest of the freight sector, we witnessed weaker pricing today with the Dec contract closing the day USD 525 lower at USD 11,900. We remain a cautious bear as the futures look to be on wave 5 of C with price looking to create another positive divergence below USD 11,875. Being on wave 5 of wave c with a divergence in play does not mean the futures are a technical buy; it does however make it a dangerous area to enter new positions from the sell side, as the market is vulnerable to short covering.

Oil

Technically bearish yesterday we noted that due to comments from Saudi Arabia the technical had produced a powerful rejection candle which had a USD 5.00 tail on it, warning we had the potential to see further short covering today. The futures traded higher on the open, signaling to technical buyers that the market remained supported, leaving resistance levels vulnerable. Price is USD 2.35 higher at USD 89.80 with key resistance at USD 91.19, the futures remain supported into the E.U close as a weaker USD is buoying the market this afternoon. Upside moves that fail at or below USD 91.19 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Technically this upside move should be countertrend, but it is a big ask to go against a 5-dollar rejection candle after yesterday comments, suggesting we could end up entering neutral territory soon.

Ed

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