



# European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	11625	11375	-2.2%	Pmx 1 month forward	12150	12325	1.4%
Cape Q1 23	6650	6375	-4.1%	Pmx Q1 23	11125	11225	0.9%
Cape Cal 23	11900	11600	-2.5%	Pmx Cal 23	12137.5	12150	0.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	12975	12825	-1.2%	Brent	83.91	83.53	-0.5%
Smx Q1 23	11225	11225	0.0%	WTI	76.55	77.33	1.0%
Smx Cal 23	12150	12250	0.8%	Iron ore	92.95	93.05	0.1%

Iron ore

Source FIS/Bloomberg

Chinese commodities sank in the day session on the back of the social unrest in the country, resulting in a small pullback (USD 2.00) in the Dec futures. The Elliott wave cycle looks to have entered a new intraday bull phase, suggesting we could trade as high as USD 115.15 within the next phase of the cycle. However, we maintain an element of caution as the wave cycle is based on the psychological footprint of the market and this could change if the social unrest increases. Technically bullish, downside moves that hold at or above USD 95.55 will support a bull argument, below this level we have a neutral bias, only below USD 92.90 are we bearish.

## Copper

Technically bearish with price moving lower this morning alongside the commodities sector, we noted that the new low (USD 7,850) had created a positive divergence with the RSI, not a buy signal it did warn that we had the potential to see a momentum slowdown and needed to be monitored. The futures found some light buying support during the day with price trading to a high of USD 7,990 before price rejected the 15-period EMA. The futures remain technically bearish with key resistance at USD 8,046, the futures are bearish below this level and neutral above; however, we remain cautious of downside moves below USD 7,850, as it has the potential to create further positive divergences, implying the futures are not considered a technical sell below this level.

## Capesize

Another positive move in the index today, it is not as strong as the previous two days, but we are still USD 472 higher at USD 13,845. We noted on the morning technical that the upside move on the open had created a minor negative divergence with the RSI in the Dec futures, suggesting support levels could be vulnerable in the near-term. However, based on the recent upside move in the RSI, we consider downside moves to be countertrend at this point. Corrective moves lower that hold at or above 9,842 will support a bull argument, below this level the technical will have a neutral bias. Technically bullish we have moved lower and are now in a corrective phase with intraday price and momentum currently aligned to the sell side.

## Panamax

The index is another USD 158 higher today at USD 12,132, meaning momentum based on price is now to the buyside. However, we are only just crossing the average line suggesting we need to see another positive number tomorrow to convince we are turning higher. An interesting day in the Dec futures as price has closed USD 175 higher on the day but moved lower for the whole session. The futures opened bid with price trading up to the USD 12,750 resistance (high USD 12,725) before closing at USD 12,325. Technically we remain bearish below USD 13,270 and neutral above; the RSI is now at 51 with the stochastic in overbought territory, if the RSI moved below 50 then momentum will be vulnerable to further tests to the downside.

## Supramax

Buyside momentum in the index is already slowing with price USD 27 lower today at USD 12,977. The Dec futures have a similar footprint to that of the Panamax, price opened supported before closing USD 150 lower at USD 12,825. The technical remains bearish with a neutral bias, downside moves that hold at or above USD 12,308 will support a near-term bull argument, below this level we target the USD 11,875. Due to the futures being on wave 5 of wave C we no longer consider the Dec contract a technical sell. However, the futures are not yet in bullish territory as we remain below the USD 13,800 fractal resistance, leaving us with more of a neutral bias; we are not bullish, but we are also not a technical sell.

## Oil

Oil tumbled to its lowest price in almost a year as a wave of unrest in China punished risk assets and clouded the outlook for energy demand, compounding the stresses in an already volatile crude market. West Texas Intermediate traded near \$76 after earlier falling below \$74 a barrel on Monday. Protests over harsh anti-Covid measures erupted across the world's largest crude importer over the weekend, spurring a broad selloff in commodities as the week opened. The rare shows of popular defiance raise the threat of a government crackdown (Bloomberg). A bit of a mixed day in the futures as price traded to a low of USD 80.61 on the open creating a positive divergence with the RSI, not a buy signal it did warn that we had the potential to see a momentum slowdown. however, lower timeframe wave analysis suggested the upside move was considered as counter-trend with a potential downside target at USD 79.23. The futures have moved higher on the back of the divergence with price trading up 24 cents on the day at USD 83.87. Upside moves that fail at or below USD 84.70 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. If we trade above the USD 86.87 fractal resistance, then the 4-hour technical becomes bullish implying we will not get the move lower.

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