

FIS 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	21250	23075	8.6%	Pmx 1 month forward	#N/A N/A	14425	#VALUE!
Cape Q3 23	#N/A N/A	22225	#VALUE!	Pmx Q3 23	#N/A N/A	15375	#VALUE!
Cape Cal 24	15625	15725	0.6%	Pmx Cal 24	#N/A N/A	12600	#VALUE!

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	#N/A N/A	14450	#VALUE!	Brent	77.01	76.05	-1.2%
Smx Q23 23	#N/A N/A	15150	#VALUE!	WTI	73.16	72.36	-1.1%
Smx Cal 24	#N/A N/A	12650	#VALUE!	Iron ore	105.45	102.01	-3.3%

Iron Ore

Source FIS/Bloomberg

Technically bearish, the June futures had seen a test to the upside yesterday, suggesting we are in a higher timeframe counter trend wave 4. Upside moves above USD 106.00 will mean that the intraday technical is bullish based on price (not 105.90 as highlighted in the morning report). Key resistance on the longer-term technical is at USD 115.25, the Elliott wave cycle is bearish below this level and neutral above. Conflicting momentum indicators this morning, as the MA on the RSI suggested momentum was supported but the RSI was below 50 with the stochastic in oversold territory. The RSI has held MA support meaning in the futures have moved higher in the evening session; however, we maintain our view based on the intraday Elliot wave cycle that upside moves should be considered as countertrend at this point.

Copper

Base metals were mixed as traders eyed weak Chinese data and a less dovish outlook for the Federal Reserve’s monetary policy. Copper and aluminum edged higher, while zinc declined on Tuesday as Chinese trade data indicated its recovery was waning. Metals surged earlier in the year on the prospect of a rebound in the world’s top consumer, but those gains have since faded. Traders are also eyeing the outlook for US interest rates after jobs data Friday indicated the labor market was holding up stronger than expected. Attention will turn to the consumer price index on Wednesday for the latest gauge of inflation (Bloomberg). Limited price action today with the futures trading between the EMA resistance band. The Elliott wave cycle would suggest that upside moves should be considered as countertrend with key resistance at USD 8,834, the futures are bearish below this level and neutral above. However, we noted in the morning report the futures have formed a base over the last seven sessions having failed to make a new low, meaning we have a note of caution as it is warning that resistance levels could be tested.

Capesize

The index is USD 1,039 higher today at USD 20,807. The bull index means the futures have traded up to the USD 23,000 fractal resistance, suggesting we now target the USD 25,935 level. For more information on the technical, please click on the link. Capesize Technical Report 09/05/23 <https://fisapp.com/wp-content/uploads/2023/05/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-09-05-23.pdf>

Panamax

The index is showing signs of a momentum slowdown with price only USD 62 lower at USD 12,114 today. We had previously noted that the futures were nearing exhaustion point, making us cautious on downside moves. The June contract is closing the day USD 775 higher at USD 14,375, the technical although bearish, now has a neutral bias. As noted in the morning report, having moved higher after showing signs of exhaustion, we are now cautious on downside moves from here.

Supramax

A positive number on the index today with price USD 19.00 higher at USD 12,072. We noted last week that the futures were on a bearish impulse wave 5 (of the Wave C) with a potential downside target of USD 13,020; however, the minimum requirement for phase/cycle completion had been met on the new low. The June contract is USD 900 higher today at USD 14,450 meaning the technical now has a neutral bias, above USD 14,550 the technical is bullish. Bearish with a neutral bias, the futures are no longer considered a technical sell at this point.

Oil

Oil fell after a two-day surge as Chinese trade data highlighted concerns about the nation's economic recovery and energy demand. West Texas Intermediate dropped below \$71 a barrel after rallying almost 7% in the prior two sessions. China's overall export growth slowed in April while imports plummeted. Demand for commodities slipped, with overseas purchases of crude, iron ore and copper all dropping from the prior month. Later on Tuesday, the US Energy Information Administration's short-term outlook due later will provide further insight on consumption (Bloomberg). The technical is bearish with a neutral bias; however, as noted on the morning report, intraday Elliott wave analysis would suggest that the current upside move should be considered as countertrend at this point. The MA on the RSI this morning indicated momentum was supported in the near-term, the average is showing signs that it is flattening; momentum, like price is turning neutral. Downside moves below USD 73.37 will warn that the USD 71.28 fractal low could be tested and broken; likewise, corrective moves that hold above this level will support a near-term buyer's argument.

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

EdwardH@freightinvestor.com