

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21375	20375	-4.7%	Pmx 1 month forward	13650	12600	-7.7%
Cape Q3 23	21275	20375	-4.2%	Pmx Q3 23	14625	13900	-5.0%
Cape Cal 24	15600	15250	-2.2%	Pmx Cal 24	12425	12112.5	-2.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13800	13000	-5.8%	Brent	76.41	75.5	-1.2%
Smx Q23 23	14750	13875	-5.9%	WTI	72.56	71.47	-1.5%
Smx Cal 24	12450	12237.5	-1.7%	Iron ore	103.3	98.55	-4.6%

Iron ore

Source FIS/Bloomberg

The June futures have come under pressure today with price trading below the USD 98.11 support, warning that the USD 94.20 fractal low is now vulnerable. The futures are below all key moving averages with the intraday RSI below 50, the MA on the RSI would suggest that intraday momentum remains weak. In theory we have the potential to test the USD 94.20; however, there is the potential for a prominent divergence on a downside breakout, which does suggest caution, as the appetite to sell at this level could fade at the prospect of a momentum slowdown.

### Copper

Copper slid to its lowest since November as Chinese inflation data stoked concern about the health of the world's second-biggest economy. Consumer inflation dropped close to zero in April, while producer prices fell further into deflation, according to the National Bureau of Statistics. Fears over a weak demand recovery have dogged industrial commodities in recent months. Copper extended losses after the opening of the Shanghai Futures Exchange's evening session, trading firmly below \$8,500, a level that's held for most of 2023. China's waning rebound and jitters over the strength of the US economy are both weighing on the metal (Bloomberg). We noted on the morning report that we had the potential for a downside breakout which would confirm that we will have entered a bearish impulse wave 5 for this phase of the cycle; based on the William's approach we had a potential downside target at USD 8,341. However, a new low would create a positive divergence with the RSI warning we could see a momentum slowdown, which need to be monitored. Price has broken to the downside with the futures trading to a low of USD 8,152. Technically bearish, we are in divergence with the RSI, warning we have the potential to see a momentum slowdown, which will need to be monitored. We are a cautious bear at these levels but also conscious that this divergence is looking like it could fail. If it does, it will warn that we are seeing wave extension to the downside, meaning upside moves would be considered as countertrend.

### Capesize

The index is USD 538 lower today at USD 21,276, at this point momentum based on price remains aligned to the buy-side; however, if we close below USD 20,385 it will be seen to be weakening. The futures came under pressure from the open with the June contract closing the day USD 1,000 lower at USD 20,375. Technically we remain bullish, if we trade below USD 19,445 then the pullback will be considered as deep, meaning the probability of the futures trading to a new high will decrease. The intraday RSI has moved below 50 whilst the MA on the RSI is also starting to weaken, making the USD 19,445 support a key level to follow. We should also highlight that USD 19,100 has the potential to be an area of support, as it is the most heavily traded area (based on price) in the last 30 days, meaning we have a support zone below us. If broken it would suggest the Elliott wave cycle has completed; however, it could be a dangerous area to enter fresh shorts.

## Panamax

Downside momentum in the index has increased today with price USD 324 lower at USD 11,673. We were a cautious bear yesterday based on our Elliott wave cycle, we noted that the USD 13,500 fractal low could be tested and broken; however, a new low would create a positive divergence with the RSI, warning we could see a momentum slowdown. The futures gapped lower on the open, resulting in the RSI making a new low, meaning my divergence with the RSI had failed before the index came out. Yesterday we were seeing exhaustion signals and if I am honest I did expect to see some support in the market, and a potential slowdown. However, the move today means the RSI divergence has failed, warning this wave extension has the potential to be more aggressive than anticipated. Key support is now on the daily chart at USD 12,105, if this level fails, then the longer-term bull cycle will become neutral.

## Supramax

Having been bullish yesterday the index closed lower today with price down USD 15.00 at USD 12,235. We noted yesterday that unless I was missing something (based on the Panamax move, I might be) the futures were showing exhaustion patterns, indicating the futures were not considered a technical sell. Like the Panamax we have gapped lower on the open, unlike the Panamax we remain in divergence with the RSI, not a buy signal it continues to warn that we could see a momentum slowdown. Technically we are bearish, and still have the potential to move lower, but as noted yesterday, we remain cautious on downside moves due to the divergence that is in play.

## Oil

The futures had been moving sideways for the last couple of sessions with little intraday price movement. We noted on the morning report that the technical, although bearish with a neutral bias, was in divergence on the 1-hour chart, meaning we were cautious on upside moves. Intraday Elliott wave analysis also indicated that upside moves should be considered as countertrend. The futures have come under pressure today with price trading to a low of USD 74.61, meaning support levels are looking vulnerable. However, we remain above the USD 73.37 level at this point, which could be key going forward. If broken, then we could potentially test the USD 70.12 low; likewise, if it holds, it supports a near-term bull argument.

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