

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17850	16175	-9.4%	Pmx 1 month forward	10575	9800	-7.3%
Cape Q3 23	18625	17375	-6.7%	Pmx Q3 23	12500	11600	-7.2%
Cape Cal 24	14450	14100	-2.4%	Pmx Cal 24	11425	10900	-4.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11450	10700	-6.6%	Brent	76.84	78.21	1.8%
Smx Q3 23	12625	11650	-7.7%	WTI	72.91	74.31	1.9%
Smx Cal 24	11475	11050	-3.7%	Iron ore	99.98	95.46	-4.5%

Iron Ore

Source FIS/Bloomberg

Iron ore futures in Singapore fell for a fifth day, extending declines below \$100 a ton as investors brace for the typical demand lull during China’s summer after a disappointing peak construction season. The steel-making staple is on track for its longest daily losing streak in a month and has tumbled almost 12% since last Wednesday’s close. China’s infrastructure and property sectors have performed worse than expected this year, weighing on steel demand and prices, and investors are now bracing for even weaker consumption over the summer months when building activity typically slows (Bloomberg). The intraday technical is now bearish with the USD 94.20 fractal low looking vulnerable, the MA on the RSI would suggest that momentum remains weak at this point. The futures have found some light buying support in the Asian evening session; however, if the USD 94.20 support is broken, it will suggest there is a larger bear cycle in play.

Copper

Copper fell below \$8,000 a ton for the first time in six months as prospects for a quick rebound in China’s economy recede. The metal has tumbled about 7% this month in the face of disappointing economic data from the world’s top consumer. All the gains following the end of China’s Covid-19 lockdowns have been wiped out. Poor domestic demand has forced smelters in the Asian nation ramp up exports that have helped replenish inventories elsewhere (Bloomberg). We were a cautious bear on the morning report as the futures were in divergence with the RSI. However, we have continued to move lower resulting in our downside target at USD 7,985 now broken. We remain a cautious bear at this point due to a lower timeframe divergence.

Capesize

We have seen downside momentum increase in the index today with price USD 912 lower at USD 16,010. The futures have had a bad day with upside moves looking like they will be countertrend. For more information on the technical, please click on the link Capesize Technical Report 24/05/23 <https://fisapp.com/wp-content/uploads/2023/05/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-24-05-23.pdf>

Panamax

Like the Capes we are seeing downside momentum accelerate on the index with price USD 258 lower at USD 9,317. We noted on the morning report that we were seeing downside extension on the Elliott wave cycle (the wave 3) meaning we had a potential target at USD 8,473 for this phase of the cycle. The futures continue to move lower with price closing the day USD 775 lower at USD 9,800, we remain in a bearish trending environment with upside moves still considered as countertrend at this point.

Supramax

The index continues to come under pressure with price USD 322 lower at USD 11,151. The June contract gapped lower on the open, setting the tone for the rest of the session with price closing the day USD 750 lower at USD 10,700. We noted on the morning report that we were seeing wave extension meaning upside moves should be considered as counter-trend with near-term support at USD 10,075, as the futures had been trading below the USD 10,636 level; however, going into the close we are trading just above this level, indicating there is some light buying support in the market. If we close below this level on the 4-hour candle we could see the USD 10,075 support coming under pressure.

Oil

Oil jumped to an intraday high after government data showed US stockpiles fell by more than 12 million barrels, the biggest draw since November. The Energy Information Administration showed strong draws in both crude and refined production stockpiles. The bullish data pushed West Texas Intermediate to the highest since early May. Prices were already rallying, backed by Saudi Arabia's warning to short-sellers on Tuesday to "watch out." (Bloomberg). The futures continue to move higher, but we remain below the USD 80.24 fractal high on the intraday, meaning we remain bearish with a neutral bias. We noted on the morning report that the 1-hour technical was in divergence with the RSI, suggesting caution on the upside move, the divergence remains in play at this point meaning we maintain this view.

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