

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16850	15525	-7.9%	Pmx 1 month forward	11375	10575	-7.0%
Cape Q3 23	18375	17475	-4.9%	Pmx Q3 23	12425	11650	-6.2%
Cape Cal 24	14775	14500	-1.9%	Pmx Cal 24	11475	11125	-3.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11225	10475	-6.7%	Brent	76.12	77.55	1.9%
Smx Q23 23	12375	11675	-5.7%	WTI	71.45	73.11	2.3%
Smx Cal 24	11575	11400	-1.5%	Iron ore	106.55	107.5	0.9%

Iron ore

Source FIS/Bloomberg

China's four big state lenders have effectively cut dollar deposit rates, according to people familiar with the matter, at a time when strong demand for the US currency in the banking system helped push the yuan to a six-month low. The banks have recently lowered the ceiling on the rates — which are a spread over the US Secured Overnight Financing Rate — for both companies and individuals, said the people who requested anonymity discussing private matters. Some of the lenders' provincial branches now offer around 5.7% on dollar deposits to their biggest clients, down from 6% previously, one of the people said. The four lenders, namely Industrial & Commercial Bank of China Ltd., Bank of China Ltd., Agricultural Bank of China Ltd. and China Construction Bank Corp., didn't immediately respond to requests for comment. The news was earlier reported by the Securities Times (Bloomberg). Not really a technical move today as the futures are having a bit of a sentiment push on the back of the USD deposit cut. We have seen the July contract move another USD 1.67 higher to close the day at USD 109.55; however, the 1-hour technical remains in divergence at this point, not a sell signal it is a warning we could see a momentum slowdown. The closing candle on the DCE is a continuation candle which will make for an interesting open on the day session, as we will need to see an upside push for the divergence to fail. Key resistance remains unchanged at USD 119.70 with near-term resistance now at USD 113.47.

Copper

The upside move today above USD 8,381 confirms we have entered a bullish Elliott wave for this phase of the cycle. Using the William's method, we now have a potential upside target at USD 8,486 for this phase of the cycle. However, the new high has created a negative divergence with the RSI, not a sell signal, it is a warning that we have the potential to see a momentum slowdown and will need to be monitored.

Capesize

Momentum based on price is slowing down with the index only USD 33.00 higher today at USD 11,503. We noted on the close report and the afternoon technical yesterday that the upside move looked to be countertrend (having previously thought otherwise). The intraday futures have moved lower again today with the July contract down USD 1,300 to close the day at USD 15,550. A bearish close today with tomorrows pivot point at USD 15,808 is warning we could see further downside tomorrow. If we do get a bull day tomorrow, we will need to see a close above USD 16,391 for momentum based on price to be seen to be strengthening.

Panamax

The index is USD 279 higher today at USD 8,916; however, this is almost 50% less than yesterday move, warning we are already seeing a momentum slowdown. For more information on the technical, please click on the link. Panamax Technical Report 07/06/23 <https://fisapp.com/wp-content/uploads/2023/06/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-07-06-23.pdf>

Supramax

Another bear day today with the index USD 169 lower at USD 8,422. As noted yesterday, we had a bearish Harami candle pattern that warned that buy-side momentum was slowing. The July futures are another USD 850 lower today at USD 10,375. From a technical perspective, we had this upside move as countertrend based on our intraday Elliott wave analysis and maintain our view that support levels remain vulnerable. However, we should note that the futures broke secondary trend resistance on the 05/06 (we remain below primary trend resistance) with the downside move holding above this trend line today. Countering this, we have just closed below the low of the high candle (the dominant bull candle from the 05/06), suggesting we have the potential to move lower again tomorrow.

Oil

On June 7, EIA released its Weekly Petroleum Status Report, which indicated that crude inventories declined by 0.5 million barrels from the previous week. Analysts expected that crude inventories would grow by 1 million barrels (Bloomberg). We were technically bearish this morning (we still are on the longer-term technical based on our Elliott wave analysis), however, we noted that the RSI was near neutral whilst the stochastic was in oversold territory. If the RSI moved above and held above the 50 level, then momentum would be vulnerable to a test to the upside. The futures had already moved higher; however, the EIA figures have given the futures the push that they needed resulting in price closing the day USD 1.20 higher at USD 77.49. Key resistance remains in place at this point at USD 78.95.

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