

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17175	17300	0.7%	Pmx 1 month forward	10362.5	10650	2.8%
Cape Q3 23	17875	17775	-0.6%	Pmx Q3 23	11350	11600	2.2%
Cape Cal 24	14575	14625	0.3%	Pmx Cal 24	11100	11150	0.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10225	10350	1.2%	Brent	72.11	74.17	2.9%
Smx Q23 23	11475	11550	0.7%	WTI	67.34	69.29	2.9%
Smx Cal 24	11300	11425	1.1%	Iron ore	109.25	111.55	2.1%

Iron Ore

Source FIS/Bloomberg

Iron ore rallied after China was said to be considering a broad package of stimulus measures to reboot growth in the second-biggest economy. China's government is mulling at least a dozen measures aimed at supporting areas such as real estate and domestic demand, according to people familiar with the matter. A key focus will be help for the property sector, where a chronic slowdown has battered steel and metals markets. Iron ore futures in Singapore climbed as much as 3% to \$112.15 a ton. The Bloomberg News report on mooted new stimulus comes after the People's Bank of China spurred optimism earlier Tuesday by unexpectedly trimming its short-term policy interest rate. The new package may also include interest-rate cuts, said the people, asking not to be identified because the matter is private (Bloomberg). The futures held the EMA support band before moving higher on the Rate cut. At this point we maintain our view that the upside move looks to be countertrend. As noted this morning, the futures rallied have but aggregate open interest continues to drop, suggesting existing longs were closing out into the bull move higher. This is not a sell signal, but it is a warning that we have the potential to exhaust, obviously, if the Chinese Government continue to add stimuli, we should in theory see open interest start to build again. If we do, it will support a bull argument; if it does not, then we could move lower.

Copper

What's good for iron ore is also good for copper. Momentum on copper had warned that we could see a move higher today, we were a cautious bull in the morning report as the recent pullbacks had been on the back of a negative divergence whilst on bullish Elliott wave 5. However, we have had another push to new highs, suggesting we are now going to see a 5th wave extension, meaning intraday pullbacks look like they could be countertrend.

Capesize

Having shown signs of weakness yesterday the index came in another USD 469 higher today at USD 13,163. The July futures opened the day supported but the early buying pressure failed to hold; having traded to a high of USD 18,000 the futures have closed the day USD 125 higher at USD 17,300, meaning we now have a small bearish rejection candle on the daily chart. We close the day above the current daily pivot point, but tomorrow's will be at USD 17,475, meaning we will need to see further bid support on the open, otherwise we could be in danger of attracting market sellers. If we do trade above, close above and hold above the USD 18,000 level it will warn that the USD 19,250 fractal resistance could come under pressure. Lots of chatter about higher fixings has not been supported by paper buying, suggesting the market has not been convinced today that the market has the bullish support that it is claiming it has. All eyes will be on the open tomorrow, to see if there will be genuine follow through.

Panamax

A flat index today with price just USD 2.00 higher at USD 8,961. The technical is difficult to read here, the upside move is countertrend based on our wave analysis; the question is do we have another move higher before we correct? Momentum is suggesting that the downside energy is slowing down, warning we could test resistance levels; however, buyside momentum is slowing in the index. Seasonality (dare I say it) could be a factor in the next upside move. For more information on the technical, please click on the link. Panamax Technical Report 13/06/23 <https://fisapp.com/wp-content/uploads/2023/06/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-13-06-23.pdf>

Supramax

The downside move in the index is now starting to slow down with price only USD 38 lower today at USD 7,946. Technically we are bullish based on the intraday futures making a higher high; however, the Elliott wave cycle continues to suggest that upside moves look to be countertrend at this point. The futures opened the day with buyside support (possibly due to the rate cut in China) but the early optimism failed to hold, with the futures closing the day only USD 125 higher at USD 10,350. The futures remain between the primary and secondary trend lines at this point, whilst we maintain a cautious view on upside moves based on our wave analysis.

Oil

The futures moved higher today after the CPI figures in the U.S came out in line with the market forecast. With interest rates looking like they will be kept unchanged this week the Brent futures have seen a move higher, to close the day at USD 74.00, up USD 2016. Technically, we have near-term resistance between USD 76.29 and USD 78.95, the futures will remain vulnerable below this zone and neutral above. However, for the longer-term Elliott wave cycle to become neutral we will need to trade above USD 93.44. Technically bearish, if we close at these levels, we could get a bullish Harami pattern on the daily candlestick chart.

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