FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	16600	17650	6.3%
Cape Q3 23	17500	17950	2.6%
Cape Cal 24	14725	14725	0.0%

	Previous Close	Current Close	% Change
Pmx 1 month forward	10575	10650	0.7%
Pmx Q3 23	11550	11700	1.3%
Pmx Cal 24	11250	11250	0.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	9975	9900	-0.8%
Smx Q23 23	11175	11075	-0.9%
Smx Cal 24	11400	11375	-0.2%

	Previous Close	Current Close	% Change
Brent	77.03	74.15	-3.7%
WTI	72.37	69.47	-4.0%
Iron ore	110.95	111.3	0.3%

Source FIS/Bloomberg

Iron Ore

Little price movement today with China closed for the Dragon Boat holiday, the July futures have closed the day 0.56 cents lower at USD 111.10.

Copper

Copper hit a seven-week high as inventories on the London Metal Exchange slumped and the prospect of additional stimulus in China underpinned the demand outlook. Prices rose as much as 1.3% after readily available copper stockpiles in warehouses tracked by the bourse sunk toward the multidecade lows seen during a historic squeeze on supplies in October 2021. At just 30,125 tons, on-warrant LME stockpiles would fulfill the needs of consumers in the 25-million-ton copper market for less than half a day (Bloomberg). The futures are proving pretty resilient at the moment with price trading to a high of USD 8,867. The intraday Elliott wave analysis is still in divergence, warning we have the potential to exhaust; however, if we remain supported for muck longer then we could be looking at wave extension, as time will change the oscillator shape. A cautious bull for now.

Capesize

A big index today with price USD 2,164 higher at USD 16,514. After writing the close report last night we had some big fixings in the physical resulting in some size trading post close in the July contract up to USD 18,000. A bit of a mixed day today as the futures opened around the USD 17,750 area, resulting in a breakaway gap in the July contract, an upside move above USD 18,000 is warning that the USD 19,250 resistance is vulnerable, if broken, the bearish Elliott wave cycle will have failed. Due to the move higher (against our wave cycle) we are taking a neutral view as price and momentum indicators are bullish, causing a conflict on the technical. Just something to look out for, if for some reason we gap lower on the open tomorrow, we could find ourselves with an island reversal candle pattern, if we do, we could see market longs looking to exit. Neutral today as the technical and wave cycle seem to be conflicting.

Panamax

The index is another USD 154 lower today at USD 8,927, confirming that momentum is aligned to the sell side. We noted in the morning report that the July futures are potentially creating a symmetrical triangle pattern, implying some neutrality in the market. The technical is still bearish but due to the pattern we have seen little price movement with the futures closing the day USD 25 higher at USD 10,600. We still think the futures will go lower based on the Elliott wave cycle, but it will need to break the triangle support first.

Supramax

The index is USD 109 lower today at USD 8,260, meaning momentum based on price is aligned to the sell side. For more information on the technical, please click on the link. Supramax Technical Report 22/06/23 https://fisapp.com/wp-content/uploads/2023/06/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-22-06-23.pdf

Oil

Oil prices tumbled as a raft of hawkish views on interest rates hurt risk sentiment. Both benchmarks fell more than 3%, with US West Texas Intermediate futures trading near $70 a barrel. Federal Reserve Chair Jerome Powell, who will deliver additional remarks on Thursday, warned yesterday that further rate hikes were likely warranted to quell inflation. Broader markets were pressured Thursday as Powell's comments were followed by the Bank of England raising rates more than expected and Norway also hiking. Adding further pressure was a failure to hold above Brent's 50-day moving average, a key technical level, which it pierced on Wednesday for the first time since late April. Brent settled at the highest since May 24 on Wednesday (Bloomberg). It is a funny old market is oil. Technically we are bearish based on the wave cycle; however, we have had a note of caution due to the triple bottom support zone between USD 71.58 – USD 71.28. Powell has been hinting at this for weeks, yet investors still bought oil. The reality today is that buyers are trying to force the trend; But 1) there is not enough of them 2) if Powell is telling the market that rates will rise after a pause, then the USD basket will go up as well. Technically and fundamentally, we are looking at the same thing, CTA's are betting on Chinese stimulus which isn't really happening and takes time to follow through, meaning this small open interest build that we saw start on the 12/06 will now have to exit. Having lost money, there only option is to now go short. It will be interesting to see how the support reacts if it is tested for a fourth time.

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