

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17650	17425	-1.3%	Pmx 1 month forward	10600	10600	0.0%
Cape Q3 23	17950	17825	-0.7%	Pmx Q3 23	11675	11625	-0.4%
Cape Cal 24	14725	14725	0.0%	Pmx Cal 24	11225	11200	-0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9900	9875	-0.3%	Brent	74.23	73.61	-0.8%
Smx Q23 23	11075	10925	-1.4%	WTI	69.53	68.93	-0.9%
Smx Cal 24	11375	11300	-0.7%	Iron ore	111.3	109.15	-1.9%

Iron ore

Source FIS/Bloomberg

Onshore futures remain closed for the holiday. The offshore futures have moved lower today in the July contract with price closing the week at USD 108.80. Technically bullish with a neutral bias on price, we maintain a cautious view on upside moves due to the Elliott wave cycle.

Turkish Scrap

Turkish Scrap July 23 - 23/06/23 <https://fisapp.com/wp-content/uploads/2023/06/FIS-Turkish-Scrap-80-20-Technical-23-06-23.pdf>

Copper

The halcyon days of China underpinning demand for metals like copper, aluminum and iron ore are over, according to Jefferies LLC. With China facing a falling population and geopolitical challenges, longer-term demand will now be dominated by the US and Europe, Jefferies analysts led by Christopher LaFemina said in a note. "China is more likely to be a headwind than a tailwind for demand over the next decade," they said. The China super cycle, driven by urbanization and industrialization, is over, and the energy transition and decarbonization cycle has just begun, the analysts said (Bloomberg). The futures are now in a corrective phase with price trading below the USD 8,414 support, indicating the futures have a neutral bias. We had a cautious view due to the divergence and Elliott wave cycle on the morning reports, the downside move today is warning that the base of the Elliott wave 5 at USD 8,261.5 is starting to look vulnerable.

Capesize

We are now seeing a slowdown on the index with price USD 738 higher today at USD 17,252. We have had a conflicting technical for the last couple of days as the Elliott wave cycle is bearish with a neutral bias, whilst price action on the technical alongside momentum have been bullish. The July futures have had a small move lower with price closing the week at USD 17,425, down USD 225 on the day. Downside moves that close below the 55-period EMA (USD 16,836) will weaken the bull argument and warn that the USD 16,013 support could be tested and broken, whilst a move below USD 14,925 is needed for the technical to be bearish. Key resistance is unchanged at USD 19,250, above this level would suggest that the bearish Elliott wave cycle has failed.

Panamax

Another move lower in the index today with price USD 124 lower at USD 8,803. A quiet day in the futures, the July contract opened lower at USD 10,375 before finding light bid support to close the session unchanged at USD 16,000. We noted on the morning technical that price was trading just below the trend support this morning (part of the consolidation phase in the form of a symmetrical triangle), if we closed below it and held below it then support levels would be vulnerable. However, a close above it would leave the futures within the consolidation pattern. We have closed above support, meaning we remain within the symmetrical triangle, implying a neutral bias in the near-term. Technically we are bullish based on price but remain cautious on upside moves as the longer-term Elliott wave cycle remains bearish at this point.

Supramax

The index is down another USD 82.00 today at USD 9,875. Like the rest of the freight complex we have seen little price movement whilst China is closed for the Dragon Boat holiday. The futures are flat on the day (USD 25.00 lower) at USD 9,785 with a range of just USD 225. The technical is unchanged and remains bearish with the USD 9,150 fractal support still vulnerable.

Oil

Oil headed for the biggest weekly drop since early May as the Federal Reserve signaled potential rate hikes ahead and European data continued to flag the risk of economic slowdown. West Texas Intermediate traded near \$68 a barrel Thursday. WTI is on track for a decline of about 5% this week, the most since the week of May 5. In testimony this week, Fed Chair Jerome Powell signaled that further monetary tightening was likely in the second half. Data on Friday showed German economic activity lost much more momentum than anticipated in June, while France's economy likely contracted in the second quarter. Powell's comments lifted the greenback, dimming the allure of commodities priced in the US currency (Bloomberg). The futures are down 80 cents on the day at USD 73.29 on the day but finding buy-side support into the close having traded as low as USD 72.11. The technical is unchanged and remains bearish; however, we maintain a note of caution whilst we remain above the USD 71.58 – USD 71.28 support zone. If broken, in theory, we should see price traded below the USD 70.12 low.

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