

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	14575	14700	0.9%	Pmx 1 month forward	9300	9600	3.2%
Cape Q3 23	14525	14850	2.2%	Pmx Q3 23	9500	9650	1.6%
Cape Cal 24	13750	13875	0.9%	Pmx Cal 24	10200	10300	1.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9600	9850	2.6%	Brent	76.53	75.69	-1.1%
Smx Q23 23	9550	9850	3.1%	WTI	71.83	70.93	-1.3%
Smx Cal 24	10375	10462.5	0.8%	Iron ore	109.55	110	0.4%

Iron Ore

Source FIS/Bloomberg

Iron ore fell after fresh signs emerged that China's property debt crisis isn't over, as the world's biggest user of the metal struggles to recover from its post-pandemic economic malaise. The steel-making staple rose as much as 0.9% in early trading on Thursday before reversing gains. On Wednesday, defaulted developer Shimao Group Holdings Ltd. failed to find a buyer for a \$1.8 billion project at a forced auction, while Sino-Ocean Group Holding Ltd. saw its bonds tumble after informing some creditors it's been working with shareholders on its debt load (Bloomberg). The futures remain in consolidation; however. The daily RSI is warning that momentum is weakening. For more information on the technical, please click on the link. Iron Ore July 23 (rolling Front Month) 06/07/23 <https://fisapp.com/wp-content/uploads/2023/07/FIS-Iron-Ore-Technical-06-07-23.pdf>

Copper

Copper steadied after two days of declines amid new signs China's property debt crisis isn't over and ahead of crucial economic data from the US. On Wednesday, defaulted developer Shimao Group Holdings Ltd. failed to find a buyer for a \$1.8 billion project at a forced auction. Sino-Ocean Group Holding Ltd. saw its bonds tumble after informing some creditors it's been working with shareholders on its debt load (Bloomberg). The futures did claw back some of the early morning losses, but the upside move has failed to hold with price trading USD 55 lower at USD 8,264 going into the close. We noted this morning that we had a support zone between USD 8,249 – USD 8,231 which was tested earlier in the day with price trading to a low of USD 8,316. However, we now need to see a close below USD 8,249 on the 4-hour candle. If we do the USD 8,231 level is likely to be tested and broken; likewise, if we hold, we could see market buyers starting to accumulate.

Capesize

A much better index today with price coming in USD 31 higher at USD 12,265, we now need to see a close above USD 13,439 for momentum based on price to be seen to be strengthening. The August futures opened slightly lower today before trading to a high of USD 14,825, if we look at a line chart we will see price is rising on the intraday; however, the last two intraday candles are showing small upside tails on them, suggesting we are starting to see a bit of sell side resistance enter the market. Technically, we remain bearish with key resistance at USD 15,600, if we see the future trading above the rejection candles tomorrow then this resistance could come under pressure. If we start trading above USD 15,600, then a deep pullback would suggest that the probability of the futures trading to a new low will decrease. More importantly, it will put pressure on market short to start looking for cover!

Panamax

The index has turned positive today with price USD 13 higher at USD 9,575. An interesting technical in the August futures (Ok, I am kidding, it is interesting to me). Our Elliott wave analysis suggests that for the cycle to complete, we needed to trade below the USD 8,250 low from the 31/05. Now, cycles can fail (known as truncated wave C) where the wave C does not go below the base of the wave A, and this could prove to be the case. We note this as the upside move today traded above the USD 9,747 resistance, meaning the move is deep into the last bear wave, meaning the probability of the futures trading to a new low has decreased. Going into the close, we do have a bearish Harami candle pattern on the 4-hour chart, if we move lower tomorrow on the open, we could see price come under pressure. Right now, the technical is not as clear cut as it was. Market shorts will want to see this lower, if we move higher, then we could see them looking for cover.

Supramax

The index is another USD 93 lower today at USD 8,011. The futures, however, have started to move higher with the August contract closing up USD 250 at USD 9,850. Above USD 10,150 the intraday technical is bullish, suggesting the wave cycle has completed. Technically we are bearish with a neutral bias; as noted in the morning report, we could go lower but the futures were no longer considered a technical sell.

Oil

I fell as broader risk-off sentiment and a smaller-than-expected decline in US stockpiles outweighed fresh glimmers of demand from a weekly government report. West Texas Intermediate fell to \$71 a barrel in a choppy session, briefly paring losses after a US crude stockpile report. Nationwide inventories fell 1.5 million barrels last week, which was less than anticipated. Yet strength in gasoline demand after the US holiday helped buoy prices (Bloomberg). We were cautious on upside moves this morning and noted on the daily technical that the RSI is rejecting a bear resistance zone with a neutral RSI and overbought stochastic, suggesting caution on upside moves. The inventory figures have pushed price lower in line with the intraday divergence. For more information on the technical, please click on the link. FIS Technical – Brent Sep 23 06/07/23 <https://fisapp.com/wp-content/uploads/2023/07/FIS-Oil-Technical-Report-06-07-23.pdf>

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