



European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	15150	14500	-4.3%	Pmx 1 month forward	10025	9500	-5.2%
Cape Q3 23	15475	14925	-3.6%	Pmx Q3 23	10000	9616.5	-3.8%
Cape Cal 24	13800	13700	-0.7%	Pmx Cal 24	10525	10362.5	-1.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10125	9800	-3.2%	Brent	80.2	80.5	0.4%
Smx Q23 23	10041.5	9737.5	-3.0%	WTI	75.86	76.09	0.3%
Smx Cal 24	10600	10525	-0.7%	Iron ore	109	110.3	1.2%

Iron Ore

Source FIS/Bloomberg

Iron ore rose as hopes increased that Beijing will deliver more economic aid for the beleaguered property sector, as investors shrugged off disappointing trade data from China. The steelmaking staple extended a two-day climb after closing 3% higher Wednesday. Investors continue to seek signs that China is boosting efforts to shore up its economic recovery, with state-owned media calling on Beijing to curb "excessive risk aversion" on lending to developers. Trade data from China released Thursday trailed expectations, with exports in June falling the most since February 2020. Imports also declined in dollar terms. Meanwhile, demand remains steady, Hongye Futures Ltd. wrote in a note. "Steel mills are more active in purchasing cargoes," it said, while high molten iron production and low inventories were providing demand support (Bloomberg). The sentiment drive continues with price trading through the resistance zone. We noted in the morning report that the daily RSI/Stochastic combination warned we could move higher, whilst the intraday RSI suggested that downside moves had the potential to be countertrend. Having moved lower in the Asian day session we have seen fresh buyside support with the August contract trading to a high of USD 111.75. With momentum still supported the USD 113.85 fractal resistance is now looking vulnerable.

Copper

A copper rally has taken shape this month, as traders have bought the red metal on a wave of optimism for China's economy, as well as to cover short positions. Copper futures were up 2% Wednesday morning to \$3.93 a pound, bringing their gains since June 29 to 6.2%. Prices have risen since bottoming out at \$3.56 a pound in May after a series of disappointing economic data from China (Bloomberg). We noted in the morning report that the intraday technical had turned bullish with momentum supporting the move, whilst the breach in the USD 8,517 resistance warned that the USD 8,559 and USD 8,635 resistance levels were now vulnerable. The futures have traded through are resistance levels with price approaching the USD 8,711.5 fractal high. Downside moves are still considered as countertrend, based on the RSI making new highs alongside price.

Capesize

We have seen a slowdown in the index today with price only USD 218 higher at USD 14,028. Having gapped higher yesterday the futures traded below the USD 14,475 level to close the intraday gap this morning. The Rejection of the USD 15,600 level alongside the downside move today would suggest that support levels are now vulnerable. However, key support is at USD 13,703, market sellers will want to see this level broken, as it would suggest that the futures will then test the USD 13,125 low.

Panamax

A dramatic slowdown today with the index only USD 132 higher at USD 8,570. The upside move yesterday rejected the 34-period EMA, resulting in the futures closing near their lows. Price has come under further pressure today, with the futures trading below the USD 9,592 support in the morning session, warning that support levels are now vulnerable. Going into the close the August contract is USD 525 lower at USD 9,500. We now need to see a daily close below USD 9,450, as that is the low of the last dominant bull candle. If we do, then the USD 8,575 fractal low will become vulnerable.

Supramax

The index is USD 94 higher today at USD 8,173. For more information on the technical, please click on the link. Supramax Technical Report 13/07/23 <https://fisapp.com/wp-content/uploads/2023/07/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-13-07-23.pdf>

Oil

A production shut-in at a Libyan oil field drove Brent crude futures to their highest intraday price since April. Global supplies were already tightening following OPEC+ supply cuts, with the EIA this week forecasting a supply deficit this year. But, barring another supply disruption, the benchmark's gains are limited. Brent is in overbought territory on the 9-day relative strength index and is facing some resistance as it nears \$82.53 -- its 200-dma (Bloomberg markets live). The futures continue to move higher with USD 81.97 being our key resistance on the daily technical. We may be in overbought territory; however, an extreme RSI print would suggest that downside moves should be considered as countertrend in the near-term.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com