



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	13125	12725	-3.0%	Pmx 1 month forward	8825	8575	-2.8%
Cape Q4 23	15700	15375	-2.1%	Pmx Q4 23	10262.5	10000	-2.6%
Cape Cal 24	13575	13425	-1.1%	Pmx Cal 24	10250	10100	-1.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9425	9325	-1.1%	Brent	78.56	79.66	1.4%
Smx Q4 23	10437.5	10375	-0.6%	WTI	74.12	75.47	1.8%
Smx Cal 24	10375	10250	-1.2%	Iron ore	112.55	113.7	1.0%

Iron Ore

Source FIS/Bloomberg

We were a cautious bull on the morning report due to the futures being on an Elliott wave 5 with price in divergence with the RSI, warning we had the potential to see a momentum slowdown. The August contract did see a pullback with the futures dropping a dollar just after the close in the Asian day session. We remain bullish having found light buying support this afternoon with intraday Elliott wave analysis suggesting we have the potential to trade as high as USD 118.76. However, due to the divergence we remain cautious on upside moves from here.

Copper

Copper edged lower, after dropping more than 2% on Monday, as concerns over China's sluggish economic growth continued to damp the demand outlook. Industrial metals slumped on Monday after China's 6.3% year-on-year expansion in gross domestic product missed analyst estimates and prompted JPMorgan Chase & Co., Morgan Stanley and Citigroup Inc. to downgrade outlooks. Meanwhile, industrial production data for June was better than analysts' downbeat expectations (Bloomberg). We noted on the morning technical that although bullish the futures had a neutral bias based on the depth of the pullback, as it suggested that the probability of the futures trading to a new high had decreased. The futures traded to a low of USD 8,412 before finding light bid support. Going into the close we are trading in the EMA support band with price rising on the back of a positive divergence with the RSI; however, the MA on the RSI (4-hour technical) suggests that momentum remains weak, upside moves that fail at or below USD 8,597 will leave the futures vulnerable to further tests to the downside. From a technical perspective we may see an intraday move higher, but we have concerns that the move could struggle to hold as we have a small 5-wave pattern lower warning the move down is potentially bearish impulse (Elliott wave).

Capesize

Another bearish index today with price coming in USD 710 lower at USD 12,676, confirming that momentum based on price is aligned to the sell side. Having found light bid support early on, the August futures came under pressure on the European open with price trading below the USD 13,125 fractal low, meaning the technical although bearish had a positive divergence in play. Not a buy signal it does warn that we have the potential to see a momentum slowdown which needs to be monitored. As highlighted on the morning report we have a potential downside target zone between USD 12,410 and USD 12,099. The futures have closed the day USD 525 lower at USD 12,600, meaning we are now a cautious bear due to the divergence and potential target zone.

Panamax

The index is another USD 286 lower today at USD 8,134, meaning momentum based on price is now aligned to the sell side. The August futures have closed the day USD 225 lower at USD 8,600; however, the USD 8,575 support has been breached, suggesting the USD 8,250 support could come under pressure. Elliott wave analysis does imply that the futures will trade to a new low, but we are now in divergence which will need to be monitored. For more information on the technical please click on the link. Panamax Technical Report 18/07/23 <https://fisapp.com/wp-content/uploads/2023/07/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-18-07-23.pdf>

Supramax

Having come in only USD 10 lower yesterday the index produced a positive number today with price coming USD 38.00 higher at USD 8,206. We noted in the close report yesterday that the move below the USD 9,375 warned that the USD 9,000 fractal support was now vulnerable. The August futures traded to a low of USD 9,175 before finding light bid support, to close the day just USD 100 lower at USD 9,325. Technically we are bearish, but we maintain our view that the futures are not considered a technical sell at this point due to the potential to diverge on a new low, alongside the Elliott wave cycle having achieved its minimum requirement for cycle completion.

PMX v Smx Technical Report

PMX v Smx Technical Report 18/07/23 <https://fisapp.com/wp-content/uploads/2023/07/FIS-PMX-V-SMX-3-PAGE-TECHNICAL-REPORT-18-07-23.pdf>

Oil

Oil rose amid risk-on sentiment in broader markets and signs that Russia is making good on its pledge to curb supplies. Russia's seaborne crude flows sank to a six-month low in the latest four-week period. Meanwhile, stocks advanced as a weaker-than-expected US retail report prompted speculation that the Federal reserve will slow, or stop, future rate hikes after its July meeting. West Texas Intermediate traded above \$75 after dropping in the previous two sessions on the return of a major Libyan oil field and concerns about China's economy (Bloomberg). We had conflicting momentum on the morning report as intraday momentum warned that we had potentially further downside in the technical, however, daily momentum suggested that we were supported, leaving us a cautious bull. The futures held the USD 78.38 support with the futures closing the day USD 1.00 higher at USD 79.50. The futures now need to trade above the USD 80.56 level, if we do, then the USD 81.75 fractal resistance will be vulnerable. however, if resistance holds, then we remain vulnerable to further tests to the downside.

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