



# European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	15100	16125	6.8%	Pmx 1 month forward	10125	10900	7.7%
Cape Q4 23	15850	16400	3.5%	Pmx Q4 23	10925	11500	5.3%
Cape Cal 24	13975	14250	2.0%	Pmx Cal 24	10775	11075	2.8%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9825	10275	4.6%	Brent	86.15	85.46	-0.8%
Smx Q4 23	10750	11125	3.5%	WTI	82.64	82.02	-0.8%
Smx Cal 24	10712.5	10975	2.5%	Iron ore	100.65	101.35	0.7%

Iron Ore

Source FIS/Bloomberg

Iron ore sank to the lowest level since early June after Goldman Sachs Group Inc. warned of the possibility that China may cut steel output this half just as traders contend with off-peak seasonal demand. Futures in Singapore retreated as much as 2.5%, dropping back below \$100 a ton to hit the lowest intraday level since June 1. The slump on Monday follows a run of six weekly losses in the past seven for the steel-making staple. If Beijing ordered provinces to reduce steel output this half, that would pose a "clear bearish demand shock," Goldman analysts including Nicholas Snowden and Jeffrey Currie wrote in an Aug. 4 note. Even without that risk, the bank had already forecast a seaborne surplus and lower average prices this half (Bloomberg). Having initially moved lower in the Asian day session the Sep futures have found bid support on the back of a positive divergence with the RSI, warning resistance levels could be vulnerable in the near-term. However, with the RSI recently making a new low whilst the Elliott wave cycle remains bearish, our analysis would suggest that upside moves have the potential to be countertrend.

Copper

Technically bearish this morning as the futures had rejected the USD 8,742 resistance; however, we had a note of caution as a move below USD 8,462.5 would create a positive divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown and needed to be monitored. The futures traded higher on the Asian open, but price rejected the 60 period EMA, resulting in the futures selling lower into the close. We remain bearish but have a cautious view below USD 8,462.5.

Capesize

The short period averages on the index have flattened in recent days with price coming in USD 112 higher at USD 15,192 today. Momentum based on price is now aligned to the buy side; however, as the crossover has been today, we would like to see confirmation with another move higher tomorrow. For more information on the technical, please click on the link. Capesize Technical Report 07/08/23 <https://fisapp.com/wp-content/uploads/2023/08/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-07-08-23.pdf>

## Panamax

The index continues to move higher with price now above the USD 8,570 fractal resistance, meaning we are in bullish territory. Before my vacation we noted on the daily technical reports that the futures had achieved the minimum requirement for phase/cycle completion (Elliott wave) with price in divergence, suggesting caution. Having found buy-side support before the roll we have seen price continue to push higher with the Sep contract USD 1,000 higher at USD 11,125. Technically, the move above USD 10,500 means the daily chart is bullish based on price. However, we should highlight that the move higher today means we have a minor negative divergence in play on the intraday technical, not a sell signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. We have a near-term upside target at USD 11,811; however, due to the divergence, we are now a little cautious as there are warning signs that this upside move could soon exhaust and enter a corrective phase, making USD 8,832 the key support to follow.

## Supramax

The index is USD 23 lower today at USD 7,545 with price remaining in divergence. The futures continued to move lower before the roll; however, we did not have price as a technical sell. The Roll into the Sep contract resulted in price gapping higher initially before correcting from USD 10,350 to USD 10,750. Price is higher today (Up USD 450 to USD 10,275) with the futures above all key moving averages. Technically we are bearish with a neutral bias, above USD 10,400 we enter bullish territory; however, a new high has the potential to create a negative divergence, suggesting caution on upside breakouts at this point.

## Oil

Having seen a run higher whilst I was on vacation, we noted on the morning technical that the futures were in divergence with the RSI, not a sell signal it warned that we had the potential to see a momentum slowdown. The futures are USD .80 lower at USD 85.44 today with price trading between the 8-21 period EMA's into the close. USD 83.82 is the key near-term support, the intraday technical is bullish above this level and neutral below. Only below USD 82.36 is the intraday technical bearish. We maintain a cautious view on upside moves at this point due to the divergence in play.

As predicted, it rained in Cornwall.

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