FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	17175	16175	-5.8%
Cape Q4 23	17800	17075	-4.1%
Cape Cal 24	14737.5	14425	-2.1%

	Previous Close	Current Close	% Change
Pmx 1 month forward	13850	13350	-3.6%
Pmx Q4 23	13350	13025	-2.4%
Pmx Cal 24	11725	11500	-1.9%

	Previous Close	Current Close	% Change
Smx 1 month forward	12275	12000	-2.2%
Smx Q4 23	12350	12200	-1.2%
Smx Cal 24	11625	11375	-2.2%

	Previous Close	Current Close	% Change
Brent	83.37	84.47	1.3%
WTI	79.26	80.66	1.8%
Iron ore	100.65	105.25	4.6%

Source FIS/Bloomberg

Iron Ore

Copper rebounded from its lowest in almost three months as investors weighed the extent of China's property woes. The metal rose as much as 1.2% on Thursday after earlier touching the lowest since June 1. Traders are taking cues from other markets, particularly iron ore which surged on doubts about the extent of Chinese steel output curbs. Metals also received a boost after Beijing told state-owned banks to step up intervention in the currency market this week in order to curb volatility in the yuan. China's currency climbed following the Bloomberg report, snapping a run of five straight declines (Bloomberg). Having consolidated for over a week the September contract has seen a strong move up today with price around USD 5.00 higher than the previous says close. The driving force looks to have come form the DCE rebar futures which have been moving higher for the last few days, a test to the downside in the rebar contract this morning failed to hold resulting in the iron ore futures catching a bid. Technically the move looks to be countertrend with the RSI entering a resistance zone; however, if we do trade above USD 109.72 then the pullback will be considered as deep, meaning the probability of the futures trading to a new low will have decreased. Based on price, the intraday futures are bullish, but the RSI resistance zone suggests caution.

Copper

Like iron ore, copper has seen buyside support today on the back of Chinese currency intervention that has resulted in the futures moving around USD 100 higher with price trading at USD 8,270 going into the close. The futures did briefly trade below our downside target this morning with price in divergence, meaning we did not have the copper as a technical sell on the morning report. The futures are not yet bullish, but price and momentum are aligned to the buyside going into the close.

Capesize

Having seen a decent move higher yesterday the index is USD 297 lower today at USD 13,809. We noted on the close report yesterday that the Sep futures had closed the mornings bullish gap, warning we could be about to enter a corrective phase. The futures have continued to sell lower with price closing down USD 1,000 at USD 16,175; from a technical perspective this move looks to be countertrend with key support at USD 15,885. However, is this level is broken the pullback will be considered as deep, meaning the probability of the futures trading to a new high will have decreased, suggesting caution.

Panamax

The index is another USD 328 higher today at USD 12,366. We noted last night that we had a daily rejection candle warning that the futures had the potential to move lower today, which has been the case. The Sep futures are trading USD 675 lower at USD 13,175; however, as noted in the morning report, our intraday Elliott wave analysis suggests that the current move lower looks to be countertrend with key support at USD 11,413. Bullish but in a corrective phase.

Supramax

Another good index today with price USD 516 higher at USD 9,449. The Sep futures however have followed the rest of the freight complex lower with price closing down USD 275 at USD 12,000. However, like the Panamax our intraday Elliott wave analysis would suggest that the current move lower looks to be countertrend, making USD 10,825 the key support to follow. Bullish but in a corrective phase.

Oil

Oil edged higher as tightening supplies took centre stage, at least temporarily sidelining the concerns about the Chinese economy and US monetary policy that had spurred a three-day drop. West Texas Intermediate traded near $80 a barrel after shedding 4.6% this week through Wednesday. Physical markets across the globe have shown signs of robust demand, US commercial oil inventories are at the lowest since January and top buyers in Asia have been on a crude-buying spree. However, looming over the rebound are worries about top oil importer China's post-pandemic recovery, with authorities said to have told state-owned banks to step up currency intervention. Liquidity remains thin, and volatility gauges are muted, reflecting low participation, market participants said (Bloomberg). Technically bearish on the morning report, we noted that we had a 5-wave pattern lower, suggesting caution on downside moves. The futures have moved higher with price trading between the 8-21 period EMA's; however, we noted that the 5 wave lower is a wave A, suggesting that the upside move is potentially a countertrend Elliott wave B, making USD 86.38 the key resistance to follow.

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