

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	13750	12900	-6.2%	Pmx 1 month forward	12400	12300	-0.8%
Cape Q4 23	15725	15425	-1.9%	Pmx Q4 23	12400	12450	0.4%
Cape Cal 24	13825	13750	-0.5%	Pmx Cal 24	11150	11075	-0.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11525	11300	-2.0%	Brent	83.23	84.43	1.4%
Smx Q4 23	11725	11825	0.9%	WTI	78.88	79.94	1.3%
Smx Cal 24	11050	11025	-0.2%	Iron ore	112.15	111.75	-0.4%

Iron Ore

Source FIS/Bloomberg

Iron ore was on track for its biggest weekly gain since June ahead of China’s traditional peak season for construction activity. Futures for the steel-making material jumped as much as 2.6% on Friday. Investors are betting the looming two-month building season will show that parts of the economy and the property sector are regaining momentum lost during the pandemic. There has been no government confirmation so far of any steel output curbs, which have been the subject of speculation over recent weeks. Any production restrictions would potentially reduce iron ore demand (Demand). I did not realise on the morning report that the active contract had rolled to October, meaning the Sep had not had such a strong push higher. On close of the day, we are back with September on the chart. The futures have come under light selling pressure this afternoon with price entering the USD 110.90 - USD 110.60 support zone. If broken the USD 107.52 support will be vulnerable. The MA on the RSI continues to suggest that downside moves look to be countertrend; however, there is a support gap below USD 110.60 that would suggest caution as there is little or no support for USD 3.00.

Copper

Copper headed for its first weekly gain since July as fresh measures to prop up China’s property market helped to shore up sentiment. The metal rose as much as 1% on Friday, putting it on course to snap a three-week decline that was partly driven by worries over slowing industrial demand. China unveiled a further easing of its mortgage policies to halt a slump in its residential property sector, though it provided only a short-lived boost in the country’s broader financial markets (Bloomberg). The futures held support levels this morning before moving lower into the E.U close. Technically little has changed with price back at opening levels; however, the RSI has rejected its MA warning support levels are starting to look vulnerable, making USD 8,237 the key level to follow.

Capesize

Another poor index today with price coming in USD 708 lower at USD 9,735. We had been technically bearish with upside moves considered as countertrend this morning. However, we had a note of caution on downside moves as we had the potential to produce a positive divergence below USD 13,235 whilst a move above USD 13,900 would warn we had the potential to trade up to the USD 15,000 – USD 15,400. Post index, the futures have come under further pressure with the futures closing the week at USD 12,900, We did not get the divergence as the RSI has made a new low. We maintain a bearish view with upside moves considered as countertrend, but we also remain cautious on moves lower at this point as the RSI is now in a support zone.

Panamax

We continue to see the index slow with price only USD 65 lower at USD 11,705 today. A Friday, going into a long weekend, we have seen little price movement today with the Sep contract closing USD 100 lower at USD 12,300. The futures did move higher this morning and closed the bearish window that formed the on 21/08; however, with the Capesize coming under pressure we gave back early gains. We remain bullish with a neutral bias and need to see the futures trade back above the USD 13,338 level, if we do, it will suggest we are probably on a bullish impulse Elliott wave 5.

Supramax

Having moved lower yesterday the index is USD 27 higher at USD 9,993. For more information on the technical, please click on the link. Supramax Technical Report 25/08/23 <https://fisapp.com/wp-content/uploads/2023/08/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-25-08-23.pdf>

Oil

Oil rose, paring some of its weekly decline, as Federal Reserve Chair Jerome Powell's speech on the path for interest rates largely matched traders' expectations. West Texas Intermediate futures rose to around \$80 a barrel, though still were on pace for a 1.9% drop for the week. Powell stuck to the message he has emphasized this year, that more tightening remains possible to bring inflation back down to 2%. In addition to Powell's remarks, China unveiled a further easing of its mortgage policies to halt a slump in its ailing property market (Bloomberg). The futures remain technically bearish having failed to make a new low by 4-cents yesterday. As noted in the morning report, in theory as we had the potential to still move lower, in reality the near-miss suggested caution as price was trading back above the 200-period MA, having produced a tweezers formation on the intraday chart (double bottom, both rejection candles). The futures have moved higher and traded above the USD 84.52 resistance, meaning we now have a neutral bias. The MA on the RSI is moving higher, implying resistance levels are now vulnerable.

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