

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	15725	16450	4.6%	Pmx 1 month forward	13625	14375	5.5%
Cape Q4 23	15875	16400	3.3%	Pmx Q4 23	13208.5	13525	2.4%
Cape Cal 24	14037.5	14250	1.5%	Pmx Cal 24	11800	11850	0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13850	14225	2.7%	Brent	90.63	89.61	-1.1%
Smx Q4 23	12900	13237.5	2.6%	WTI	87.58	86.51	-1.2%
Smx Cal 24	11475	11550	0.7%	Iron ore	116.25	113.85	-2.1%

Iron Ore

Source FIS/Bloomberg

The US and European Union are working on an agreement that would introduce new tariffs aimed at excess steel production from China and other countries, as well as put behind them a Trump-era trade conflict. The levies would primarily be focused on imports from China that benefit from non-market practices, according to people familiar with the discussions, who said talks were ongoing. The scope of the measures, including other countries that could be targeted and the level of the tariffs, are still being discussed. It's also expected to provide a framework for other nations to join in the future (Bloomberg). Not a technical buy yesterday the futures have moved lower today with price trading below our key support, meaning although bullish based on the Elliott wave cycle, we now have a neutral bias. On price, we have broken fractal support meaning we are bearish, warning that the USD 110.50 level could soon be tested and broken.

US HRC Oct 23 07/09/23

Interesting Price action in the October contract today with price looking like it will close today above the weekly pivot point for the first time in two months, suggesting market shorts are starting to cover. For more information on the technical, please click on the link. US HRC Oct 23 07/09/23 <https://fisapp.com/wp-content/uploads/2023/09/FIS-US-HRC-Technical-07-09-23.pdf>

Copper

Copper fell for a second day after inventories tracked by the London Metal Exchange surged by the most in two years, helping to partially ease the strain on buyers who have been exposed to chronic supply shortages on the bourse. Prices fell more than 1% after stockpiles in the LME's global warehouse network gained by 23,450 tons to 133,850 tons, with deliveries into the US and Europe pushing inventories to the highest level since October. While stocks remain low by historical standards, exchange inventories have been rising steadily over the summer, adding to evidence that supply stresses are easing as demand from manufacturers declines (Bloomberg). We noted in the morning report that the technical was bearish with the MA on the RSI suggesting that momentum was weak with upside moves considered as countertrend. A move below USD 8,322 would break fractal support, warning we could see further downside. The futures have traded to a low of USD 8,381 with price finding light bid support into the close. We maintain our view that upside moves should still be considered as countertrend at this point.

Urea Middle East Oct 23 (Rolling Front Month) 07/09/23

A big jump higher this week has left a bullish window in the October contract; however, a negative divergence is warning that this upside move could struggle to hold, warning market sellers could look to try and test the resilience of buyers, by targeting the USD 352.5 level that would effectively close the window. For more information on the technical, please click on the link. Urea Middle East Oct 23 (Rolling Front Month) 07/9/23 <https://fisapp.com/wp-content/uploads/2023/09/FIS-Ferts-Technical-07-09-23.pdf>

Capesize

Rumours of higher fixing in the physical market yesterday resulted in the futures going bid into the close. The numbers were supported today with the index USD 1,290 higher at USD 9,863. We noted in the closing report last night that the futures would be in divergence with the RSI above USD 16,025, meaning we had a note of caution on upside moves, but highlighted that the daily RSI had held above 50 and price above the 55-period EMA, supporting a bull argument. The futures have traded above the USD 16,025 resistance but we still have a minor divergence in play, this will need to be monitored going forward; however, the lower timeframe divergence has now failed, supporting the current upside move. We will need to see a sustained push in the index, as the October contract has a USD 7,877 carry going into the close; if we do and the 4-hour divergence fails, the technical will be in a stronger position, leaving the USD 17,700 fractal high vulnerable.

Panamax

Having moved lower on the index yesterday whilst the paper remained supported, we have seen price come in USD 63 higher today at USD 11,919. The October futures moved higher on the open in line with our Elliott wave cycle, with price closing the day up USD 525 at USD 14,150, just USD 200 below the USD 14,350 fractal high that we have been targeting in recent weeks. We remain bullish with the expectancy that the futures will trade to a new high, with a potential upside target at USD 15,515. However, as noted in the morning report, a new high will create a negative divergence with the RSI which will need to be monitored.

Supramax

Another good index today with price USD 215 higher at USD 11,616. The October futures closed the day USD 375 higher at USD 14,225, as previously highlighted the futures remain in divergence with the RSI. We noted in the morning report that we looked to be extending on the Elliott wave 5, implying intraday downside moves should be considered as countertrend; However, we maintain a note of caution as a wave 5 of a wave 5 can sometime not materialize.

Oil

Oil prices were little changed after a nine-session rally — driven by renewed production cuts from leaders of the OPEC+ alliance — propelled futures into overbought territory. West Texas Intermediate hovered near \$87.50 a barrel after the longest stretch of gains since January 2019. That surge came as Saudi Arabia and Russia pledged to prolong their export curbs through the fourth quarter. Meanwhile, US crude stockpiles fell 6.3 million barrels last week to the lowest since December, according to an Energy Information Administration report. Inventories also shrank at the nation's biggest storage hub in Cushing, Oklahoma, reaching the lowest levels in nine months (Bloomberg). Stockpiles have been at their lowest levels since December, yet the market is moving lower, this is a warning that we could be about to enter the corrective phase that we highlighted in the morning technical. Morning Report comment - The futures are now vulnerable to a technical pullback based on a lower timeframe divergence and wave count. For this reason, based on the technical, we do not consider the futures a technical buy at this point – We maintain this view at this point.

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