

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16375	15375	-6.1%	Pmx 1 month forward	14300	14000	-2.1%
Cape Q4 23	16475	15800	-4.1%	Pmx Q4 23	13725	13575	-1.1%
Cape Cal 24	14225	13950	-1.9%	Pmx Cal 24	11850	11825	-0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14575	14275	-2.1%	Brent	90.44	90.78	0.4%
Smx Q4 23	13650	13400	-1.8%	WTI	87.23	87.59	0.4%
Smx Cal 24	11650	11600	-0.4%	Iron ore	113.25	117.85	4.1%

Iron Ore

Source FIS/Bloomberg

The futures traded to a new high this morning on the back of China’s credit demand improving, signalling we are seeing an Elliott wave extension. The futures are above all key moving averages, but the RSI remains in divergence with price, not a sell signal, it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. Despite the divergence, using Fibonacci projection levels, we now have a potential upside target at USD 123.40.

## Copper

The futures opened with bid support this morning on the back of a lower timeframe divergence, a weaker USD, and improved credit demand in China. Based purely on the divergence and the intraday Elliott wave cycle we noted that resistance levels were vulnerable. The futures have continued to move higher with price trading above the USD 8,417 level, meaning although bearish we now have a neutral bias. The deep pullback means that the probability of the futures trading to a new high has now decreased.

## Capesize

The index is USD 289 higher today at USD 10,982, meaning we are seeing signs that buy-side momentum is slowing. The October futures are now correcting on the intraday negative divergence with the RSI, resulting in price closing USD 875 lower at USD 15,500. For more information on the technical please click on the link. Capesize Technical Report 11/09/23 <https://fisapp.com/wp-content/uploads/2023/09/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-11-09-23.pdf>

## Panamax

The index is another USD 165 higher today at USD 12,234. Meaning momentum based on price is confirmed to the buy-side. In reality, we are consolidating at this point, meaning we are a little cautious on momentum buy and sell signals that come directly from price. The October futures have come under a little pressure today with price closing USD 300 lower at USD 14,000. Technically we are bullish with a potential upside target at USD 15,515; however, as highlighted in the morning report, three peaks in quick succession alongside the negative divergence is warning of exhaustion. For this reason, we are a cautious bull.

## Oil

Oil steadied near its highs of the year after rallying about 10% in recent weeks, with technical indicators that suggest its gains may be overdone sapping the benefit of risk-on sentiment in broader markets. West Texas Intermediate traded near \$88 a barrel after a 2.3% advance last week. Oil has surged by almost \$20 a barrel since mid-June on supply curbs from Saudi Arabia and Russia, which have now been extended through the end of the year. Traders are bracing for a potential pullback as technical gauges, including the relative strength index, show futures remain near overbought territory after a renewed surge over the past two and a half weeks (Bloomberg). I can elaborate on the technical comment a little here. The new high today means we are now on a bullish Elliott wave 5 for this phase of the cycle, using Fibonacci projection we now have a potential upside target at USD 95.02. However, we have a note of caution, as the new high means the minimum requirement for phase/cycle completion has now been achieved. This also means that the futures are in divergence with the RSI, not a sell signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored.

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