

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	15375	15900	3.4%	Pmx 1 month forward	14000	14550	3.9%
Cape Q4 23	15800	16200	2.5%	Pmx Q4 23	13575	13850	2.0%
Cape Cal 24	13950	14100	1.1%	Pmx Cal 24	11825	11800	-0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14275	14525	1.8%	Brent	90.61	92.19	1.7%
Smx Q4 23	13400	13625	1.7%	WTI	87.31	89.12	2.1%
Smx Cal 24	11600	11625	0.2%	Iron ore	117.85	119.05	1.0%

## Iron

Source FIS/Bloomberg

Iron ore prices added 4 per cent to more than \$US117 a tonne on Tuesday as traders cheered better than expected economic data from China and eyed more stimulus for the nation's property sector. Total credit growth in China climbed 9 per cent year-on-year in August 2023, versus 8.9 per cent in July, to mark the first month-on-month acceleration since March. Commercial bank lending was up 11.1 per cent last month compared with the same period a year ago, which included the enforcement of strict zero-COVID-19 policies. Glyn Lawcock, the head of resources research at investment bank Barrenjoey, said physical prices for delivery of iron ore were strong as China's steel consumption remained robust in 2023. He added that speculators in futures contracts were betting Beijing's stimulus measures would equal higher prices in 2024 (Bloomberg). Having rallied USD 7.00 in the last 3 sessions the futures are seeing a little bit of profit taking going into the close with the October contract USD 1.50 off its high. The technical remains bullish with our wave analysis suggesting we have the potential to trade as high as USD 123.40 within this phase of the Elliott wave cycle; however, as noted in the morning report, we do have a note of caution due to the negative divergence that is in play. Key support s at USD 114.69, the futures are bullish above this level and neutral below.

## Copper

Copper declined after its biggest advance since late July, and other industrial metals lost ground, as traders assessed the outlook for China's ailing property sector. Copper fell as much as 0.6% as the dollar recouped some of its sharp losses on Monday. The metal had surged in the previous session helped by better-than-expected Chinese credit data and a strong rebound in the yuan. Still, concerns around China's property sector resurfaced on Tuesday after holders of yuan bonds issued by Sino-Ocean Capital rejected a motion to extend the principal and interest payment, a further signal that investor sentiment remains bleak. Home sales in the nation's biggest cities are also losing momentum less than two weeks after authorities loosened mortgage curbs (Bloomberg). Technically bearish with a neutral bias this morning, the depth of the upside move suggests that the probability of the futures trading to a new low has decreased. The futures have moved lower on a stronger USD today, but the MA on the RSI continues to suggest that momentum is supported, making USD 8,287 the key support to follow. If it holds it will support a near-term bull argument; however, if broken the USD 8,213 low could come under pressure.

## Capesize

We continue to see a momentum slowdown based on price, with the index coming in only USD 45 higher at USD 11,027. A bearish close in the futures yesterday had warned that we could see support levels come under pressure today; however, we closed the day USD 525 higher at USD 15,900. The October contract held above the 55-period EMA on the intraday, whilst the RSI stayed above 50 with the stochastic in oversold territory. If the RSI holds above 50, then momentum is warning that we could see a move higher; likewise, a move below USD 15,375 would suggest that the correction is complex, implying upside moves should be considered as countertrend. A difficult technical to read, we are bullish and holding support at this point.

## Panamax

A big index today with price USD 606 higher at USD 12,840. having recently shown warning signs that momentum could be slowing down the futures have gapped higher on the open. The October is USD 550 higher on the day going into the close at USD 14,550, warning our upside target at USD 15,515 could be achieved. It could of course be an exhaustion gap. For more information on the technical, please click on the link. Panamax Technical Report 12/09/23 <https://fisapp.com/wp-content/uploads/2023/09/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-12-09-23.pdf>

## Supramax

The index is another USD 211 higher today at USD 12,303. The October futures remain above all key moving averages with price in a bullish trending environment, the intraday Elliott wave cycle suggests downside moves should be considered as countertrend. If you read the morning report, we highlighted that the time period of the intraday wave 5 is now on a 49-minute candle, making the cycle a little more reliable. However, we still have a note of caution as there are multiple timeframe divergences in play.

## Oil

Global oil markets face a supply shortfall of more than 3 million barrels a day next quarter — potentially the biggest deficit in more than a decade — as Saudi Arabia extends its production cuts. The latest data published by OPEC show why the kingdom's supply squeeze, amid a period of record demand, has sent oil prices surging beyond \$90 a barrel in London. Riyadh announced last week it will extend an extra 1 million-barrel-a-day output reduction until the end of the year, even though markets are already tightening. World oil inventories, having depleted sharply this quarter, are set for an even steeper drop of roughly 3.3 million barrels a day in the next three months, forecasts published in a report from the Organization of Petroleum Exporting Countries indicated on Tuesday (Bloomberg). Although technically bullish having entered an Elliott wave 5 yesterday, the futures had shown signs that it could consolidate in preparation for the U.S. CPI figure tomorrow. However, price has moved higher with the futures up around USD 1.40 higher at USD 92.04 going into the close. We maintain a potential upside target at USD 95.02 based on our Fibonacci projection levels. Both oil and the USD basket are moving higher today, highlighting the underlying strength in the futures market.

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