



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17350	18100	4.3%	Pmx 1 month forward	14925	14925	0.0%
Cape Q4 23	17050	17500	2.6%	Pmx Q4 23	14025	14050	0.2%
Cape Cal 24	14400	14525	0.9%	Pmx Cal 24	11800	11737.5	-0.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15150	15450	2.0%	Brent	94.27	94.6	0.4%
Smx Q4 23	13950	14125	1.3%	WTI	91.2	91.9	0.8%
Smx Cal 24	11675	11575	-0.9%	Iron ore	122.85	121.75	-0.9%

Iron Ore

Source FIS/Bloomberg

Having seen a technical pullback in the October futures on Friday the futures opened with light bid support today with price holding above the Fibonacci support zone. Technically our view is unchanged from this morning, we do have the potential to trade to new highs still. However, the pullback on the negative divergence means that we maintain our view that the futures are not considered a 'technical' buy at these levels, as upside moves could struggle to hold.

Copper

We noted in the morning report on Friday that although technically bullish, the 1-and-30 min charts were in divergence, warning we could see a technical pullback. Having moved lower on Friday we have seen further downside today, meaning the futures are now bearish. The MA on the RSI is starting to soften with the RSI making new lows, this would suggest that intraday upside moves should be considered as countertrend in the near-term.

Capesize

A good index today with price USD 1,219 higher at USD 14,503. The negative divergence failed in the October futures into the close on Friday with the RSI making and holding a new high, resulting in price moving higher today. The upside move above USD 17,700 does warn that the USD 18,825 resistance is now vulnerable; however, there is a second divergence in play that will need to be monitored. As noted in the morning report, if the divergence fails it will warn we could be looking at some kind of bullish Elliott wave extension. We are a cautious bull due to the divergence and remain conscious of the seasonality charts, as the futures rarely go up going into the last quarter of the year; however, some food for thought, we started September at the lowest level in the last 5 years, so it is possible that we need to move higher before a downward shift.

Panamax

The index continues to see a slowdown with price only USD 89 higher today at USD 13,659. The October futures opened with good bid support on the back of the Capesize strength; however, we have softened a little post index to close the day USD 125 higher, at USD 15,050. Time is an important factor within the Elliott wave cycle, at this point we are in divergence and look like we could see cycle completion. Time is a factor because, the longer we stay elevated, the more candles we have with a greater time period. It doesn't happen often, but this can result in the oscillators changing, as the cycle goes from say a 40 min candle to an 80 min candle, meaning we could see a wave extension. It has not happened yet, but if we do not correct soon, then the next intraday move lower could become countertrend, rather than corrective. Either way we will be in divergence, meaning we will have to remain cautious. To be fair to the Panamax, downside moves in the Supramax are considered as countertrend, so the wave extension is on the cards. Time will tell soon enough!

Supramax

The index is another USD 215 higher today at USD 13,641; if you read the weekly Supramax report on Wednesday you will remember that focus should be on the RSI, as we have a key resistance at 95. The upside move in the index today means that the RSI is now at 91.76, meaning we are getting ever closer to the 95-resistance level, this will need to be monitored because it will warn the index is overextended. In the futures, we continue to see bullish price action with the lower timeframe divergence now failing. This does not change the technical footprint; the October contract is still bullish with downside moves considered as countertrend at this point. The 4-hour RSI remains divergent.

Oil

In the morning report we noted that the technical was still bullish but in divergence with the RSI. We have had an upside target at USD 95.20 for a little while now, with a lower timeframe cycle suggesting today that we could potentially trade as high as USD 95.95. The futures have traded to a high of USD 94.95 with price trading at USD 94.70 going into the close. From a technical perspective our upside target zone has not changed, nor has our view based on Elliott wave analysis, that suggests that the futures are not considered a technical buy at these levels.

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