



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	19375	18150	-6.3%	Pmx 1 month forward	15275	14600	-4.4%
Cape Q4 23	18037.5	17025	-5.6%	Pmx Q4 23	14375	13725	-4.5%
Cape Cal 24	14575	14450	-0.9%	Pmx Cal 24	11725	11537.5	-1.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15875	15400	-3.0%	Brent	94.4	94	-0.4%
Smx Q4 23	14387.5	13925	-3.2%	WTI	91.59	91	-0.6%
Smx Cal 24	11625	11362.5	-2.3%	Iron ore	120.4	122.1	1.4%

Iron Ore

Source FIS/Bloomberg

The October futures moved higher in the Asian day session, but price has remained unchanged from this morning into the close. As noted yesterday and in the morning technical, the futures have the potential to have one more move to the upside; however, with a higher risk to the downside we maintain our view that the futures were not considered a technical buy at these levels.

Copper

Gold and copper rose ahead of a Federal Reserve policy decision amid expectations that US interest rates will stay higher for longer. While Chair Jerome Powell and his colleagues are expected to hold borrowing costs steady later Wednesday in a bid to curb inflation, traders are focusing on the steer provided by officials on the future rate direction. Swaps markets see policy remaining tight for the rest of the year, with a 40% chance of another hike in 2023 (Bloomberg). We were technically bearish this morning with momentum warning that the USD 8,262 low had the potential to be tested on broken. However, with the dollar weakening the futures have found buyside support with price trading USD 70.5 higher at USD 8,363 going into the European close. Key resistance on the intraday is at USD 8,389, upside moves that fail at or below this level will leave the futures vulnerable to further tests to the downside, if broken the probability of the futures trading to a new low will decrease. Key support is on the daily symmetrical triangle at USD 8,192.

Capesize

Another decent index today with price USD 1,042 higher at USD 17,145. However, not such a good day in the October futures with price closing the day USD 1,075 lower at USD 18,300. From a technical perspective, the divergence failure yesterday is warning that the current move lower is potentially countertrend with the futures remaining in bullish territory, making USD 16,682 the key support to follow. If broken, then the probability of the futures trading to a new high will decrease.

Panamax

The index is another USD 123 higher today at USD 14,025, meaning we are seeing a slowdown in price. The pullback in the October futures today means that the technical has a neutral bias with the probability of price trading to a new high decreasing. Yesterday the futures looked like the Elliott wave cycle could be extending but it was not the cleanest of counts, meaning we were a cautious bull, the move lower today would suggest caution. We have a technical today, as always it is a non-biased view based purely on price and the psychological footprint of the market. It is worth a read as there is reason to be cautious within the sector as the divergences and wave cycles are warning us that if we have not already completed this upside move, then it could be soon. The futures are not considered a 'technical' buy, even if we do move higher. For more information on the technical, please click on the link. Panamax Technical Report 20/09/23 <https://fisapp.com/wp-content/uploads/2023/09/FIS-Panamax-Morning-Technical-20-09-23-1.pdf>

Supramax

Another strong index today with price USD 420 higher at USD 14,566. However, the October futures were not immune to the market sell off with price closing the day USD 500 lower at USD 15,375. Our intraday Elliott wave analysis would suggest that the current move lower looks to be countertrend, making key support to follow at USD 12,915. As always, we continue to have a note of caution as the technical is in divergence and this is an extended wave 5.

Oil

After declining for 10 months, one of the most popular oil trades this year is finally turning around, and it has the potential to reshape global crude flows. The relative price of global benchmark Brent crude to the Middle East's Dubai marker has rallied sharply this month, after a steep run of declines since last November. This week, the so-called Brent-Dubai EFS jumped to a high of \$2.60-\$2.70 a barrel, compared with an average of 90 cents in the first half of September, according to data from brokerage PVM Oil Associates Ltd. The spread has been one of the most active oil trades this year as supply curbs by Saudi Arabia and Russia have restricted availability of oil that's similar in quality to Dubai. Asia's benchmark even traded at a premium to Brent, despite yielding lower quality fuels. The recent recovery has come as Europe's crude market showed signs of rapid tightening (Bloomberg). The futures entered a corrective phase overnight with price producing a deep pullback, meaning the technical has a neutral bias with the probability of the futures trading to a new high now decreasing. On paper the trend remains intact, as we remain above the USD 92.67 fractal support on the intraday; however, the downside move on the RSI and the rejection of the USD 95.00 resistance would suggest that we could be about to enter a higher timeframe corrective phase. If our interpretation on the longer-term Elliott wave cycle is correct, then downside moves should be considered as countertrend within the larger wave cycle; if you are interested in the time period for the wave cycle, it looks to be on a 1,047 min candle chart.

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