

FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	18150	18375	1.2%	Pmx 1 month forward	14600	14675	0.5%
Cape Q4 23	17025	17525	2.9%	Pmx Q4 23	13725	13887.5	1.2%
Cape Cal 24	14450	14475	0.2%	Pmx Cal 24	11537.5	11725	1.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15400	15100	-1.9%	Brent	93.2	93.71	0.5%
Smx Q4 23	13925	13800	-0.9%	WTI	90.27	90.09	-0.2%
Smx Cal 24	11362.5	11525	1.4%	Iron ore	122.1	117.4	-3.8%

Iron ore

Source FIS/Bloomberg

Iron ore futures slipped as traders weigh loosening property curbs in China against long-term demand challenges in the country. The steel-making ingredient retreated after Wednesday’s gain, with consumption headwinds looming despite Beijing’s efforts to stabilize the crisis-ridden real estate sector. In its latest move, Guangzhou became the first of China’s top-tier cities to ease home-buying rules for non-residents in some areas. “Continued weak ore demand from the construction sector has fuelled the pessimistic mood for investors throughout the year,” Galaxy Futures Co. wrote in a note. “While supportive measures have been introduced, overall steel consumption has yet to trend higher and new projects also take time to be launched” (Bloomberg). The futures moved lower in the Asian day session on the back of the negative divergence with the RSI, before finding light bid support in the evening session. Technically we remain bullish having held above the USD 116.16 level; however, the MA on the RSI continues to suggest that support levels are vulnerable, meaning we maintain our view that the futures are still not considered a technical buy.

Copper

Copper slid the most in four months, testing the bottom of a long-held trading range as an unexpected drop in US unemployment claims stoked expectations that the Federal Reserve will pursue a higher-for-longer stance on interest rates. The metal declined with other industrial commodities and equities after data showed applications for US unemployment benefits fell to the lowest level since January last week, indicating a healthy labour market that continues to support the economy. US central bank policymakers on Wednesday signaled another rate hike was likely this year, as they look to bring down inflation against a backdrop of renewed strength in the economy and labour market (Bloomberg). The futures broke the symmetrical triangle to the downside with the futures trading to a low of USD 8,071 today. However, we have seen a downside rejection candle form on the intraday chart, resulting in the futures closing the European day session on the trend support at USD 8,188. Technically we are at an inflection point with the futures needing to close below and hold below the trend support to signal downside continuation.

Capesize

The index reversed today with price coming in USD 499 lower at USD 16,646. The October futures opened the day lower on the back of selling pressure with some good volume changing hands around the USD 17,500 level. Post index the futures found bid support on the back of higher fixings in the physical market, resulting in price closing the day USD 225 higher at USD 18,375. The downside moves is currently holding above the USD 16,862 level, in line with the technical, as upside move in the RSI on the 19/09 suggests that downside moves should be considered as countertrend. Tomorrow’s pivot support will be at USD 18,041, if we open above this level, we could see further buyside support in the market; however, we will need to see the intraday RSI move above 67 (currently 59.5) for price and momentum to be aligned to the buyside.

Panamax

We noted yesterday that we were seeing a slowdown on the index, this has resulted in price coming in USD 96 lower at USD 13,929 today. The October futures opened lower and looked like we had broken the USD 14,300 support; however, USD 14,300 was the low on the day, not USD 14,225 as highlighted on the chart. This is significant as it is the base of the last bull wave, if broken, it will warn that the intraday technical is bearish. Technically, we are not a buy at these levels as the wave cycle does look like it may have completed, with the MA on the RSI continuing to suggest that buyside momentum is weak. We maintain our view that the futures are not considered a technical buy at these levels.

Supramax

The index is USD 286 higher today at USD 14,852; however, this is signalling a slowdown based on the last couple of days. In the futures, we maintain our view that downside moves should be considered as countertrend. For more information on the technical, please click on the link. Supramax Technical Report 21/09/23 <https://fisapp.com/wp-content/uploads/2023/09/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-21-09-23.pdf>

Oil

After missing the previous congress in Houston in 2021 as Covid scrambled countless travel plans, the Saudis were back this year, and in a big way. Energy Minister Prince Abdulaziz bin Salman was the star of the opening session on Monday. He said OPEC is targeting market stability and not higher prices and sounded a note of caution on Chinese demand. Crude futures duly slipped back on his comments, but that only underlined the strength of Saudi influence on the oil market right now. Saudi Aramco boss Amin Nasser followed with a withering assessment of the idea of peak oil consumption (Bloomberg). The futures have moved around a little today but are trading flat to yesterday going into the European close. The technical is unchanged from this morning with the futures bearish based on price, whilst the wave cycle has a neutral bias. USD 91.63 remains the key support to follow, as a move below this level will warn that the wave cycle has entered a corrective phase.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

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