



# 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 | 18825          | 18950         | 0.7%     | Pmx 1 month forward | 13625          | 13400         | -1.7%    |
| Cape Q4 23           | 19075          | 19108.5       | 0.2%     | Pmx Q4 23           | 13325          | 12937.5       | -2.9%    |
| Cape Cal 24          | 14850          | 14700         | -1.0%    | Pmx Cal 24          | 11625          | 11600         | -0.2%    |

|                     | Previous Close | Current Close | % Change |          | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 13550          | 13475         | -0.6%    | Brent    | 90.48          | 91.45         | 1.1%     |
| Smx Q4 23           | 13100          | 12975         | -1.0%    | WTI      | 88.62          | 90.1          | 1.7%     |
| Smx Cal 24          | 11375          | 11475         | 0.9%     | Iron ore | 118.2          | 116.5         | -1.4%    |

Iron ore

Source FIS/Bloomberg

The onshore market is closed for golden week.

## Copper

Copper fell for a second day as hawkish signals from the Federal Reserve and weak manufacturing data across major economies dampened the demand outlook. The industrial metal briefly traded below \$8,000 a ton on the London Metal Exchange for the first time since late May as worries over higher-for-longer US interest rates spurred risk-off sentiment in global financial markets. The concerns were reinforced by an unexpected increase in US job openings that highlighted the durability of the labor market (Bloomberg). Technically bearish this morning the futures traded to a low of USD 7,956.5 before finding light bid support. We do have a minor divergence with the RSI on the 4-hour technical that is warning we could see a momentum slowdown; however, if this is the bearish wave C that we highlighted on the daily technical a few weeks back when we broke the 15-month symmetrical triangle to the downside, then we should in theory test the USD 7,867 low from May of this year.

## Capesize

Another good index today with price USD 1,351 higher at USD 22,996, we have now rallied 34% since we highlighted that the RSI had moved above 64. An interesting day in the futures, we noted this morning that the technical, although bearish we now had a neutral bias based on the strength of the upside move, with the November futures trading above the USD 19,583 resistance; however we highlighted that the technical would only be bullish above the USD 20,875 fractal high. For this reason, we remained cautious on upside moves until we had confirmation of a new bullish cycle. The futures traded to a high of USD 20,100 before selling lower post index with the futures trading at USD 19,000 into the close. Tomorrow's pivot point looks like it will be around USD 19,341. If the opening intraday candle tomorrow closes below this level, coupled with the rejection candle today, we could see the futures come under further pressure.

## Panamax

We continue to see the index come under pressure with price USD 254 lower today at USD 13,569. This was the second day that we have seen bid support in the morning that has failed to hold, resulting in the November futures selling lower into the close, suggesting we are seeing distribution at higher levels. For more information on the technical, please click on the link. Panamax Technical Report 03/10/23 <https://fisapp.com/wp-content/uploads/2023/10/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-03-10-23.pdf>

## Supramax

Another bearish index today with price USD 137 lower at USD 13,753. This technical in the November futures is becoming a little difficult to read, as the Elliott wave cycle suggests that the move lower could be countertrend. The RSI moved above its MA this morning with the MA turning higher, implying momentum is supported, this is in line with the wave cycle; however, like the Panamax, this is the second day in succession where we have seen bid support in the morning followed by the futures selling lower post index. Momentum may be showing signs of support, but price action is suggesting support levels are vulnerable. We are cautious here as support levels look like they could be tested, if we do trade below USD 12,915 then the probability of the futures trading to a new high will decrease.

## Oil

Technically bearish this morning with the MA on the RSI suggesting momentum was weak, we noted that the futures were testing and holding above the 200-period MA. If we closed below and held below the average, then it would warn that support levels were vulnerable. Likewise, if we held above it, then it would support a buyer's argument. We also noted that based on our longer-term Elliott wave cycle that the downside move looked like it could be countertrend. The futures spent most of the morning testing the MA support with price moving higher in the afternoon session. It is too early to tell if this will be the start of a new bull wave, so we remain cautious at this point, as the RSI is testing its MA resistance. However, we do maintain our view that downside moves look like they could be countertrend.

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

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)