

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	18950	18700	-1.3%	Pmx 1 month forward	13400	13300	-0.7%
Cape Q4 23	19108.5	18933.5	-0.9%	Pmx Q4 23	12937.5	12825	-0.9%
Cape Cal 24	14700	14575	-0.9%	Pmx Cal 24	11600	11500	-0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13475	13650	1.3%	Brent	91.1	87.02	-4.5%
Smx Q4 23	12975	13146	1.3%	WTI	89.45	85.19	-4.8%
Smx Cal 24	11475	11275	-1.7%	Iron ore	116.5	115.45	-0.9%

Iron ore

Source FIS/Bloomberg

The onshore market is closed for golden week.

Copper

Copper slipped to the lowest since May as traders assessed continued strength in the dollar and bond yields, as well as low liquidity during a weeklong holiday in top consumer China. A rally in the greenback — driven by bets the Federal Reserve will maintain tighter monetary policy than its peers — has pressured commodities priced in the currency. While a gauge of the dollar softened on Wednesday, it was near the highest level since November (Bloomberg). Technically bearish this morning with a minor divergence in play suggesting caution. However, that we had a potential downside target at USD 7,817 and a longer-term fractal support at 7,867. The futures have traded to a low of USD 7,887.5 warning our target zone could be tested. The lower timeframe divergence has now failed, suggesting we are potentially seeing Elliott wave extension to the downside.

Capesize

We are seeing a slowdown in the index with price only USD 230 higher today at USD 23,226. We noted on the close report last night that if the opening candle today closed below the daily pivot level, we could see a move lower today. The futures have moved lower with price testing but currently holding above the 55-period EMA, resulting in light bid support going into the close. The November contract has closed the day USD 225 lower at USD 18,775, meaning that the technical remains bearish with a neutral bias. Tomorrows open could be key to the next move, if we close below and hold below the 55-period average (USD 18,448) then the USD 18,103 support could be broken, if it is then the technical will be back in bear territory. If we hold above the average and close above tomorrows pivot point on the opening candle (currently looking like it will be USD 18,741) then we could potentially see another test to the upside.

Panamax

Another weak index today with price USD 278 lower at USD 13,291. We noted on the morning report that the futures were now in divergence, warning we have the potential to see a momentum slowdown; however, a 5-wave move lower would suggest that any upside move should be considered as countertrend. The futures opened lower but found light bid support resulting in the November contract closing USD 50 lower on the day at USD 13,350. We remain cautious on downside moves at this point.

Supramax

The index is USD 70 lower today at USD 13,683, meaning the downside move is starting to slowdown. The November futures opened lower but in divergence with the RSI, resulting in a close USD 150 higher at USD 13,625. For more information on the technical, please click on the link. Supramax Technical Report 04/10/23 <https://fisapp.com/wp-content/uploads/2023/10/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-04-10-23.pdf>

Oil

Crude oil prices have reversed course, after hitting their highs of the year (<https://www.wsj.com/livecoverage/stock-market-today-dow-09-27-2023/card/u-s-crude-oil-hits-highs-of-the-year-ga3njzj1AbWh46FDiiMb>) last week. Futures on West Texas Intermediate crude, the U.S. pricing benchmark, dropped more than 3% Wednesday morning, to \$86.35 a barrel. The fall extended a week-long slide of more than 7% since they settled at a 13-month high of \$93.68 a barrel last Wednesday. One potential cause of this morning's drop: a key OPEC committee's recommendation Wednesday that the cartel maintain its current oil output policy. Some analysts expect OPEC will need to cut production more than it already has] (<https://www.wsj.com/articles/opec-crude-production-slumps-as-voluntary-cuts-bite-c1d1f4b2>) to support prices, since rising interest rates have [raised concerns of a slowing economy (WSJ, Bloomberg). The futures were in divergence this morning with price holding above the intraday 200-period moving average. For this reason, we were cautious on downside moves, and did not consider the futures a technical sell. However, we have seen a strong downside move that is testing the USD 87.29 support. If broken the technical will have a neutral bias, meaning the probability of the futures trading to a new high will have decreased. This will also mean we will have to re-evaluate the longer-term Elliott wave cycle as the downside move has been stronger than expected. Looking like an epic fail today!

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