

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	19975	19625	-1.8%	Pmx 1 month forward	13575	13625	0.4%
Cape Q1 24	10125	9875	-2.5%	Pmx Q1 24	10050	10000	-0.5%
Cape Cal 24	14900	14750	-1.0%	Pmx Cal 24	11525	11575	0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13675	14150	3.5%	Brent	84.43	88	4.2%
Smx Q1 24	9900	9900	0.0%	WTI	82.81	86.32	4.2%
Smx Cal 24	11500	11625	1.1%	Iron ore	114.9	112.5	-2.1%

Iron Ore

Source FIS/Bloomberg

Iron ore sank to its lowest in a month after falling 4% during China’s Golden Week holiday, with stagnant home sales weighing on demand. Prices of the steelmaking material fell as much as 2.2% Monday in thin trading. Analysts are expecting a cautious recovery rather than an outright rebound in the property sector, which accounts for nearly 40% of steel consumption. Although China will likely roll out more measures to ease restrictions on home purchases and resales, the property sector will mostly “see an L-shaped recovery in the coming years,” according to a research note by Goldman Sachs Group Inc. dated Oct. 8. Prevailing issues in the sector could be a multi-year drag for the country, it added (Bloomberg). After a week moving sideways the futures came under pressure on the Asian open today with the technical now in bearish territory. The November futures have seen further weakness in the evening session with both price and the RSI continuing to make new lows, suggesting upside moves should now be considered as countertrend.

Copper

Copper climbed for a second day as China’s markets reopened after a weeklong holiday and the global metals industry gathers for the annual London Metal Exchange Week. Copper prices that had been largely rangebound for months tumbled last week to the lowest since May as the dollar strengthened and investors bet on higher-for-longer interest rates that are bearish for demand. Readily available LME stockpiles have also climbed sixfold since June in a sign of ample supply, although they remain relatively low by historical standards (Bloomberg). The futures moved higher late last week on the back of a positive divergence with the RSI. We noted on the morning report that the MA on the RSI did suggest that momentum was supported; however, the new low on the RSI last week suggested that upside moves should be considered as countertrend, making USD 8,204 the key resistance to follow. Having moved higher on the open we have seen little price movement for the remainder of the session with price trading within USD 1.00 from this morning. We maintain our view based on the morning technical that upside moves look to be countertrend with momentum supported, above USD 8,024 the probability of the futures trading to a new low will start to decrease.

Capesize

Another strong index today with price USD 1,456 higher at USD 28,901. The upside move on the open resulted in the futures trading to a new high, meaning the technical is bullish. However, as noted in the morning report, the new high means we now have a negative divergence in play. For more information on the technical, please click on the link. Capesize Technical Report 09/10/23 <https://fisapp.com/wp-content/uploads/2023/10/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-09-10-23.pdf>

Panamax

Having seen sell side momentum slowdown last week, the index came in USD 124 higher at USD 12,939 today, a close above USD 13,189 will mean that momentum based on price is aligned to the buy side. The November futures opened with bid support but rejected the USD 14,045 Fibonacci resistance, to trade to a low of USD 13,700. We are seeing support going into the close with price trading USD 300 higher on the day at USD 13,875. Technically we remain bearish with the move higher on the back of a positive divergence with the RSI, in what looks to be a countertrend move, making USD 14,733 the key resistance to follow. The MA on the RSI does suggest that momentum is supported, meaning resistance levels could come under pressure in the near-term.

Supramax

We continue to see sell side momentum slow down in the index with price USD 4.00 lower at USD 13,554. Like the rest of the freight complex the futures opened with bid support and closed the day USD 475 higher at USD 14,150. From a technical perspective, the futures are holding above our key support at USD 12,915; however, as noted in the morning report, the downside move consisted of 5-waves, suggesting it is bearish impulse. For this reason, we maintain our view that upside moves should be considered as countertrend at this point.

Oil

Israel Latest: Army Stops Lebanon Incursion, Calls Up 300,000 – The conflict over the weekend has seen market sellers look for cover, in the fear that we see the fighting escalate outside of the region. The upside move on the open means that the technical has a neutral bias; however, as noted in the morning report, the futures will unlikely be following the technical in the coming days. If the fighting escalates to the wider region, oil prices will continue to rise; however, if somehow, we see a de-escalation, then price should in theory sell lower. Price is USD 3.23 higher on the day at USD 87.81 with the MA on the RSI suggesting momentum is supported going into the close.

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

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