



# 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	19425	20025	3.1%	Pmx 1 month forward	12800	12600	-1.6%
Cape Q1 24	9400	9500	1.1%	Pmx Q1 24	9250	9350	1.1%
Cape Cal 24	14500	14625	0.9%	Pmx Cal 24	11150	11237.5	0.8%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13300	13225	-0.6%	Brent	90.8	90.05	-0.8%
Smx Q1 24	9400	9300	-1.1%	WTI	87.72	87.17	-0.6%
Smx Cal 24	11125	11125	0.0%	Iron ore	114.15	117.25	2.7%

Iron Ore

Source FIS/Bloomberg

Iron ore futures rose Monday following the most recent stimulus moves by China's government, outweighing downward pressure from production cuts among some steel mills due to shrinking margins. According to Reuters, the most-traded January iron ore (SCO:COM) on China's Dalian Commodity Exchange ended daytime trading +2.8% at 862 yuan/metric ton (\$117.93), the highest since September 25, and benchmark November iron ore on the Singapore Exchange recently was +2.4% at \$117.10/ton, its best level since October 3 (Bloomberg). The upside move in the November futures in the Asian day session on the back of the stimulus resulted in the futures breaching the USD 116.97 resistance, meaning that the technical although still bearish now has a neutral bias. The probability of the futures trading to a new low has now started to decrease. Very little price movement in the Asian evening session with price trading 35 cents lower than this morning. The MA on the RSI suggests momentum is supported at this point; however, the MA is starting to flatten, warning we are now becoming vulnerable to a technical pullback.

Copper

The futures continue to trade around the USD 7,963 support with price breaching this level again today but failing to hold below it. Technically we are bearish, with upside moves considered as countertrend; however, as highlighted on Friday, we need to see a clean break below the USD 7,963 level to signal downside continuation. The fact the support has been breached warns we should in theory move lower, the failure to do so is becoming a bit of a concern as we are now starting to consolidate a little.

Capesize

Another bull index today with price USD 757 higher at USD 28,348. The futures opened with buy-side support, creating a bullish gap on the open, resulting in the November futures trading to a high of USD 20,425. However, we did find market sellers at higher levels meaning we close the day USD 600 higher at USD 20,025. For more information on the technical, please click on the link. Capesize Technical Report 16/10/23 <https://fisapp.com/wp-content/uploads/2023/10/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-16-10-23.pdf>

Panamax

The index is another USD 129 lower today at USD 12,639 today. The November futures opened up with buy-side support on the back of Capesize strength and the positive divergence highlighted previously. We noted in the morning report that the MA on the RSI warned that momentum was weak; however, the RSI was moving above its average, warning we could be seeing a momentum slowdown. The upside move failed to hold, resulting in price approaching last week's low. We are still bearish but in divergence, suggesting caution on downside breakouts below 12,525.

## Supramax

We continue to see the index slow down with price only USD 10.00 higher today at USD 13,960. We had very similar price action in the Supramax to that of the Panamx; we opened with buy-side support on the back of Capesize strength, but the move failed to hold, resulting in the November contract closing the day USD 75 lower at USD 13,225. As noted in the morning report, the intraday Elliott wave cycle would suggest there is further downside within the corrective phase. However, price remains above the USD 12,915 support and the 200-period EMA at this point, meaning we are a cautious bear until these supports are broken.

## Oil

Oil edged lower as the US stepped up diplomatic efforts to stop the Israel-Hamas conflict from spreading and neared a deal to increase crude exports from Venezuela. Still, Israel's expected ground offensive into the Gaza Strip is keeping markets on edge. US officials have rushed to speak with Middle Eastern nations — including Hamas-backing Iran — to contain the fighting. At the same time, Venezuela is closing in on a deal that would see the US ease sanctions on its oil industry in exchange for a freer presidential election next year, potentially adding supplies to a tight market. West Texas Intermediate futures fell near \$87 a barrel on Monday after surging almost \$5 last week (Bloomberg). Having seen a strong move higher on Friday, we have seen a small pullback of around USD 1.00 today with the futures trading at USD 90.00 going into the close. Momentum remains supported; however, as noted for all of last week, it is a difficult argument to be short due to the potential that the conflict in the Middle East could spread to the wider area. For this reason (non-technical) we are cautious on downside moves.

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

EdwardH@freightinvestor.com

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