

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21600	19650	-9.0%	Pmx 1 month forward	13450	13100	-2.6%
Cape Q1 24	9600	9275	-3.4%	Pmx Q1 24	9800	9250	-5.6%
Cape Cal 24	14650	14250	-2.7%	Pmx Cal 24	11450	11212.5	-2.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13550	13100	-3.3%	Brent	90.91	91.79	1.0%
Smx Q1 24	9750	9225	-5.4%	WTI	87.71	88.67	1.1%
Smx Cal 24	11350	11200	-1.3%	Iron ore	117.4	115.85	-1.3%

Iron Ore

Source FIS/Bloomberg

The futures moved lower in the Asian day session on the back of a negative divergence with the RSI. The technical is bearish with a neutral bias, the futures are trading below channel support; however, we need to see a close below that holds below the support for downside continuation. The RSI is near neutral at 49 with the stochastic in oversold territory, market sellers will want to see that RSI lower, otherwise we could see a momentum move higher.

Copper

Copper Inventories Rise to Highest Since October 2021: LME (Bloomberg). The technical was a little tricky this morning as the previous downside move had failed to make a new low, whilst the move higher had resulted in the MA on the RSI turning higher, implying momentum support. This warned that resistance levels were starting to look vulnerable, suggesting caution on downside moves. The futures traded to a high of USD 8,069.5 before selling lower on the back of the inventory data. Technically we are still bearish, but we remain cautious on this technical pullback due to the momentum support.

Capesize

The index came in USD 741 higher today at USD 31,089. However, the futures were offered from the open with price trading USD 1,950 lower today to close at USD 19,650. We had noted this morning that momentum was supported with intraday Elliott wave analysis suggesting there was still potential for on more wave higher; however, we were moving lower on the back of a negative divergence with key support at USD 19,819, if broken the probability of the futures making a new high would decrease. We are closing the day just above the 55-period average, but the pullback is deep. More importantly, was the closing comment last night, regarding the differential between the index and the rolling front month contract. We close the day with the spread between the two now at USD 11,489, this would suggest to me, based on the previous historical, that this upside move in the index is potentially done. It is possible that both index and futures will both be moving lower very soon.

Panamax

A good index today with price USD 481 higher at USD 13,100. However, this has not been replicated by the November futures which came under pressure early on, we did find bid support post index but still closed the day USD 350 lower at USD 13,100. We are now at an inflection point here, as we look to be on an Elliott wave C that has produced a lower timeframe 5-wave pattern. It could be that this will be the initial 1st wave of the higher timeframe corrective wave, but it could also be that the corrective phase has completed. Just to make the technical a little more complex, we rejected our key resistance on the open but held above our key support. The MA on the RSI suggests momentum is supported, but it did on the Capes this morning and that has been buried today. I hate saying this, but I am neutral at this point, as it could go either way. If I had to call it, I would go with the seasonality, and the Capesize vulnerability and say it goes lower. But I would want to see the downside breakout first!

Supramax

The index is another USD 92 higher today at USD 14,139. The futures sold lower today with the November contract USD 450 lower at USD 13,100, meaning we close the day just above the 200 period MA. For, more information on the technical, please click on the link. Supramax Technical Report 18/10/23 <https://fisapp.com/wp-content/uploads/2023/10/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-18-10-23.pdf>

Oil

Oil rose after Iran called for an embargo against Israel by Muslim countries, following a deadly explosion at a Gaza hospital that raised the risk of wider hostilities in the Middle East. Iran's foreign minister called for a full and immediate boycott of Israel by Muslim countries, including an oil embargo on the country. While Israel's oil imports are small in the context of global supply, and little of them come from the Middle East, the comments marked a verbal escalation over the war between Israel and Hamas. West Texas Intermediate leaped higher to trade near \$90 a barrel, before paring some of those gains (Bloomberg). Technically bullish on the morning report, the futures traded to a high of USD 92.85 before closing the day USD 1.65 higher at USD 91.55. Intraday Elliott wave analysis continues to suggest that we have a potential upside target at USD 93.79, we remain bullish but in divergence which will need to be monitored. The situation in the Middle East is becoming more inflamed, if it gets worse, then resistance levels will be tested.

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