

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	15625	16900	8.2%	Pmx 1 month forward	11775	12650	7.4%
Cape Q1 24	9000	9675	7.5%	Pmx Q1 24	9600	10075	4.9%
Cape Cal 24	14175	14500	2.3%	Pmx Cal 24	11025	11375	3.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11600	12275	5.8%	Brent	81.7	82.66	1.2%
Smx Q1 24	9575	9825	2.6%	WTI	77.35	78.38	1.3%
Smx Cal 24	11000	11175	1.6%	Iron ore	126.6	128.1	1.2%

Iron ore

Source FIS/Bloomberg

The Dec futures traded to a high of USD 128.80 this morning; however, we noted that although the intraday divergence had failed the MA on the RSI had started to flatten, warning that buyside momentum was showing signs of slowing down. The futures have corrected a little this afternoon to close the day at USD 127.20, meaning the RSI is now below its moving average. Price remains above the EMA support band with wave analysis still suggesting that we have the potential to trade as high as USD 130.48; due to the pullback on the flat MA, we are now a cautious bull at these levels.

Copper

Gold slipped and copper rose as traders await US inflation data and clues on the Federal Reserve’s path forward on interest rates. Bullion extended its decline from last week, dropping as much as 0.4% on Monday as Treasury yields advanced. Copper traded on the London Metal Exchange gained as much as 1.5% while other main base metals were mixed (Bloomberg). We were technically bearish with upside moves considered as countertrend this morning; we have seen a move higher to trade above the USD 8,116 resistance, meaning that the probability of the futures trading to a new low has started to decrease, leaving us with a neutral bias going into the close. If we trade above USD 8,165.5 it will mean that the futures are bullish based on price; however, a rejection of the USD 8,178 level will warn that there could be a larger bearish cycle in play.

Capesize

The index is USD 146 higher today at USD 21,619. The futures were trading around the 55-period average this morning having failed to make a clean break or a strong rejection. On paper the upside move looks to be countertrend with the 1-hour RSI in divergence, warning we could see a momentum slowdown. We have now moved above the 55-period average meaning the futures are in divergence. However, we have a technical today where the Cal 24 had a neutral bias whilst the Q1 24 was testing resistance. Since writing, the Q1 has broken the USD 9,424 resistance, meaning the probability of the futures trading to a new low has started to decrease. We are starting to be a little less confident in this upside move being against the trend, based on the strength of the backs, but at this point this move is still considered as countertrend from a technical perspective. Capesize Technical Report 13/11/23 <https://fisapp.com/wp-content/uploads/2023/11/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-13-11-23.pdf>

Panamax

The index is another USD 161 higher today at USD 12,598. In our report this morning we noted that the MA on the RSI implied that the USD 12,200 resistance remained vulnerable, which if broken would mean that the probability of the futures trading to a new low would start to decrease. However, the 1-hour RSI was in divergence, warning we had the potential to see a momentum slowdown, suggesting caution on upside moves. The futures did trade above the USD 12,200 resistance, meaning we are now in divergence with the probability of the futures trading to a new low starting to decrease. We now have a neutral view on the technical, the move is against our Elliott wave cycle, meaning we do not consider the futures a technical buy at this point. However, the divergence on the 1-hour is marginal with the MA on the 4-hour RSI implying momentum support, meaning it is not considered a technical sell either.

Supramax

A small slowdown today with the index only another USD 23 higher at USD 12,396. Like the rest of the freight complex the Dec contract is USD 550 higher to close at USD 12,150. We remain bearish with upside moves considered as countertrend, the 1-hour RSI now remains in divergence; however, the MA on the 4-hour RSI implies momentum is still supported at this point. It could be that the lower-timeframe divergence is showing early signs of a momentum slowdown, or it could result in the divergence failing. We remain cautious on upside moves at this point with the USD 12,443 resistance looking vulnerable, if broken, then the probability of the futures trading to a new low will start to decrease.

Oil

We remained bearish with upside moves considered as countertrend in the morning report. We noted that the futures had rolled over to the downside on the open, but the MA on the RSI was still supported, meaning we were cautious on downside moves. The futures have seen a move to the upside with price USD 1.20 higher at USD 82.63 going into the European close. Our intraday Elliott wave analysis continues to suggest that upside moves have the potential to be countertrend, making USD 84.87 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. The MA on the 4-hour RSI continues to suggest that momentum is supported at this point, meaning resistance levels remain vulnerable.

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