

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16775	17625	5.1%	Pmx 1 month forward	14200	13950	-1.8%
Cape Q1 24	10275	10375	1.0%	Pmx Q1 24	11333.5	11050	-2.5%
Cape Cal 24	15075	15175	0.7%	Pmx Cal 24	11950	11850	-0.8%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13700	13375	-2.4%	Brent	82.39	79.36	-3.7%
Smx Q1 24	10900	10800	-0.9%	WTI	77.81	74.74	-3.9%
Smx Cal 24	11787.5	11650	-1.2%	Iron ore	133.55	134.6	0.8%

Iron ore

Source FIS/Bloomberg

Iron ore rose for a third day even after Beijing took additional steps to try and cool a rally in the steelmaking ingredient. The National Development and Reform Commission summoned some futures companies to a meeting on Tuesday, at which it reiterated its stance against speculation in the market, according to people familiar with the matter. The commission didn't immediately respond to a fax requesting comment (Bloomberg). Interestingly, the Dec futures have sold lower this afternoon with the futures trading at USD 132.65 going into the close. We noted last night and this morning that we look to have seen wave extension, suggesting downside moves should be considered as countertrend, based on the psychological footprint of the market. However, as previously stated, this is on the provision the Chinese authorities do not do something drastic regarding the recent upside move. Although bullish this morning, we did have a note of caution as the RSI was approaching resistance whilst in divergence. One suspects that the sell off today was more related to the NDRC; however, the warning signs were there, so it could potentially be on the back of the technical, or maybe, it is just on the bull dollar move today.

Copper

Every major market on the London Metal Exchange is showing signs of ample supply, as slowing economic growth undercuts demand. Spot prices for the six key metals that dominate trading on the LME are all at a discount to futures, with spreads for copper hovering near the widest on record. The market structure, known as contango, typically indicates there's enough supply to meet near-term demand (Bloomberg). Bullish this morning with downside moves considered as countertrend, the futures had entered a corrective phase on the open. From an Elliott wave perspective, we maintained our view that downside moves still look to be corrective, rather than bearish; however, if we do trade below USD 8,279, it will mean that the probability of the futures trading to a new high will start to decrease. Going into the close we are USD 113.50 lower at USD 8,335.5 with the MA on the RSI now turning lower, warning momentum is weakening.

Capesize

Having seen momentum based on price become aligned to the sell side yesterday, the index is another USD 1,421 lower today at USD 20,029. The futures are having an entirely different day, with the Dec contract closing USD 850 higher at USD 17,625, on the back of financial institutions buying. We had a neutral view this morning due to conflicting momentum, alongside bullish rejection yesterday and a bearish intraday wave cycle. The USD 17,950 resistance is now starting to look vulnerable due to the move higher. Capes have been a bit of an enigma today, as the Panamax and Supramax have moved lower alongside iron ore, the whole Base complex, and oil; I am not sure the move higher is justified, so I will keep a neutral view at this point, despite the bullish price action.

Panamax

Another decent move today in the index with price USD 353 higher at USD 16,739. The futures opened above yesterday's close with the Dec contract trading at a high of USD 14,550 early on, suggesting we could be in for another bull day. However, we did have a note of caution due to the divergence on the 1-hour chart, which looks like it might be coming into play, as early gains were reversed with price closing USD 250 lower at USD 13,950. A little warning of weakness today that could see further follow through tomorrow; this however does not change the technical view, as the recent high in the RSI does suggest that a move lower could potentially be against the trend. Going into the close, price and momentum are aligned to the sell side with tomorrow's pivot point looking like it will be at USD 14,100. If we open below this level, then we could look to test the Fibonacci support zone highlighted in this morning's technical.

Supramax

Another upside move today with the index USD 164 higher at USD 13,712. However, like the Panamax, the December futures opened with bid support before selling lower, to close at down USD 350 at USD 13,350. For more information on the technical, please click on the link. Supramax Technical Report 22/11/23 <https://fisapp.com/wp-content/uploads/2023/11/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-22-11-23.pdf>

Oil

Today's decline in oil driven by the OPEC+ decision to delay its meeting to Nov. 30 suggests some traders are starting to brace for worst-case scenarios as short sellers creep into the market. Much of the oil market had already priced in an extension of production cuts from OPEC and allies coming into this week. The most optimistic outlook needed to prevent bears from taking over, was a deeper cut to output. Talks ran into trouble amid Saudi dissatisfaction with other members' oil production level (Bloomberg). We have had a neutral view for the last two sessions, as a lower timeframe wave cycle had warned that we should move lower, but the move higher had broken the USD 82.39 resistance with momentum looking supported. However, we have seen a USD 3.00 move lower on the back of OPEC delaying its meeting, with price breaching the USD 78.75 support, suggesting that the USD 76.60 fractal low is starting to look vulnerable again.

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