<u> EMISSIONS | OIL | FE</u>RROUS | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGH

FIS

European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17625	20375	15.6%	Pmx 1 month forward	13950	14650	5.0%
Cape Q1 24	10575	11750	11.1%	Pmx Q1 24	11050	11650	5.4%
Cape Cal 24	15275	15925	4.3%	Pmx Cal 24	11850	12175	2.7%

	Previous Close		% Change	
Smx 1 month forward	13375	13925	4.1%	
Smx Q1 24	10800	11400	5.6%	
Smx Cal 24	11650	12012.5	3.1%	

	Previous Close	Current Close	% Change
Brent	81.66	81.2	-0.6%
WTI	#N/A N/A	76.17	#VALUE!
Iron ore	134.6	133.05	-1.2%

Iron ore Source FIS/Bloomberg

Iron ore retreated from a nine-month high after Chinese authorities stepped up a campaign to try and cool the rally in the steelmaking ingredient. The metal fell as much as 3.4% in Singapore after the National Development and Reform Commission said in a statement that it would increase supervision and crack down on illegal activities. Companies should not hype up prices or manipulate the market it said, confirming that it had met with iron ore and futures companies to discuss these issues (Bloomberg). The December futures had moved lower on a negative divergence yesterday. We noted in the morning technical that the MA on the RSI had started to weaken, warning of momentum weakness, whilst a move above USD 135.05 would create a negative divergence with the RSI. We did are still holding above the EMA support band at this point but have seen further momentum weakness, warning support levels are vulnerable. In theory, based on our intraday Elliott wave analysis, downside moves should be considered as countertrend. However, history has proved that the Chinese authorities are capable of changing the psychological footprint of the market, so it will be important to monitor their movements to see if they will continue their crackdown.

Copper

Copper rose with industrial metals after China's efforts to stabilize its property sector boosted sentiment. The metal has risen in recent weeks amid a slew of Chinese economic stimulus measures and bets that the U.S. interest rate cycle is peaking. A rapid slide in the dollar has also made it cheaper for buyers in foreign currencies. China may allow banks to offer unsecured short-term loans to qualified developers for the first time, people familiar with the matter said, a major push to ease the property crisis that's dragging down growth in the world's second-largest economy. Chinese policymakers are also finalizing a draft list of 50 developers eligible for financial support to help the property sector, a pillar of industrial metals demand (Bloomberg). Technically bullish with downside moves considered as countertrend in the morning report. The futures have held above key support levels with price breaching the USD 8,431 resistance. However, the MA does remain below its average which is warning of momentum weakness, meaning we would like to see price and momentum become aligned to the buyside to confirm the next move is higher.

Capesize

Th index turnaround in the index has been impressive, down nearly USD 1,000 yesterday we are up USD 2,187 today at USD 22,216. We maintained a neutral view into the close yesterday despite the bullish price action, as the freight and commodity complex were all selling lower apart from Capes. The bullish close told the correct story with price moving higher on the open, the Dec futures are trading up USD 2,700 on the day at USD 20,325. We noted in the morning report that the RSI was making new highs, suggesting downside moves will be countertrend with it looking increasing likely that fractal resistance would be broken. The futures have now entered bull territory with our intraday wave analysis supporting the RSI high, regarding downside moves. The wave cycle had been subjective earlier in the week but warned of technical weakness. The holding of support, followed by the rejection candle and bullish close did warn that we could move higher. Hindsight is no use to anyone, but calling it a buy yesterday, when Panamax and Supramax were down whilst oil was USD 3.00 lower on the day (not to mention the whole Base complex and a rising dollar) would have been a brave call, considering the move lower had been on the back of a negative divergence. Obviously, I now wish I had!



Panamx

The index is another USD 233 higher today at USD 16,972. We had a bit of a warning that there was technical weakness yesterday with the Dec futures closing lower on the back of a lower timeframe divergence. However, as previously noted, we maintained our view that downside moves should be considered as countertrend. The market opened supported on the back of the Capesize strength, resulting in the futures moving higher, to close the day up USD 700 at USD 14,650. Two things to note, the downside move yesterday was not deep enough to be the pullback, meaning we maintain our view that downside moves should be considered as countertrend. Secondly, the new high means we now have a negative divergence on both the 4-and-1-hour technicals. These are not selling signals, but they are warning signs that we could see a momentum slowdown and will need to be monitored.

Supramax

The index continues to remain bullish and steady with price another USD 206 higher today at USD 13,918. Like the Panamax, we closed lower yesterday but opened with bid support, resulting in the futures trading to a high of USD 13,925, up USD 550 on the day. We have a near identical footprint the Panamx here; the downside move yesterday was not deep enough to be the pullback that we were looking for, whilst the new high today means we are in divergence on both the 4-and-1-hour technicals. Again, not a sell signal, they do warn that buyside momentum could slow down and will need to be monitored. Based on our intraday Elliott wave analysis, downside moves should still be considered as countertrend at this point.

Oil

Oil is being a little tricky at the moment. Yesterdays move lower warned that support levels could be vulnerable, as we were down USD 3.00 on the day having breached the USD 78.75 level. However, we had a very strong close in the late U.S session with the futures reversing most of their gains, resulting in a bullish rejection candle. We have now breached both key support and resistance levels with price now trading on their EMA's, which are also flat. I hate doing this, but for now, I remain neutral.

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