

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	30125	17800	-40.9%	Pmx 1 month forward	17200	15325	-10.9%
Cape Q1 24	13600	13375	-1.7%	Pmx Q1 24	12975	13762.5	6.1%
Cape Cal 24	17200	17025	-1.0%	Pmx Cal 24	12950	13400	3.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	16125	17300	7.3%	Brent	82.9	82.94	0.0%
Smx Q1 24	12950	13600	5.0%	WTI	77.72	76.62	-1.4%
Smx Cal 24	12837.5	13175	2.6%	Iron ore	128.2	129.75	1.2%

Iron Ore

Source FIS/Bloomberg

The Dec futures held support yesterday resulting in price moving higher. The MA on the RSI has now turned in an upward trajectory warning we are seeing momentum support. However, the futures have rejected the EMA resistance band this afternoon with price below the 131.97 level. Momentum is supported, but we remain cautious on upside moves in the near-term, as the RSI low on the 29/11 does suggest that there could be further downside within this corrective phase. The longer-term Elliott wave cycle continues to indicate that downside moves should be considered as countertrend.

Copper

Copper steadied below the highest in more than 10 weeks as the potential shutdown of a major mine in Panama countered a weaker-than-expected reading for China's factory activity in November. Most metals fell on Thursday after China's official manufacturing purchasing managers index came in lower than analysts had estimated, while the non-manufacturing gauge — which measures activity in construction and services — also eased (Bloomberg). The futures moved lower this morning on the back of the weak data from China; however, we held key support with price trading just over USD 50 higher at USD 8,468 into the European close. Technically we remain bullish with price starting to consolidate, near the highs; however, as noted in the morning reports we remain conscious of the negative divergence in play.

Capesize

The index continues its upside move with price USD 4,885 higher at USD 46,681. The futures rolled today, making the technical complex. We have broken, key support levels, suggesting the probability of the rolling front month trading to a high has decreased (to be fair, we have dropped 12k), this would suggest that upside moves should be considered as countertrend. The Dec contract is another USD 2,700 higher at USD 32,825; however, we have closed USD 1,125 off the high. We maintain our view that downside moves should be considered as countertrend. The Jan contract has closed USD 325 lower at USD 17,800 having traded to a high of USD 19,125. Now on paper, based on the outright Jan contract, a move lower is against the trend. We highlighted key support at USD 16,155 this morning but this is an extended wave 3, so really the key level is at 14,257. In context, the Jan futures should move lower, before moving higher again, if we follow the Elliott wave cycle on the Jan outright contract; to be clear, this does not mean that the rolling front month contract will trade to a new high.

Panamax

A good index today with price USD 792 higher at USD 18,639. The futures moved lower on the back of the roll into Jan, but we remain above the Fibonacci support zone. This technical has not changed in terms of the Elliott wave cycle, downside moves are still considered as countertrend. If we do trade below the USD 12,481 level, it will warn that the probability of the futures trading to a new high has started to decrease, bringing into question the Elliott wave cycle. The roll today does mean the MA on the RSI has started to move lower, implying momentum weakness; however, we are a little sceptical on momentum indicators due to the roll.

Supramax

Like the Panamax, we had a good index today with price USD 719 higher at USD 15,678. The Dec futures had a bull day having gapped higher on the open to close Up USD 1,175 at USD 17,300. However, when you look at the open versus the close, you will see that it is a bear candle that closed USD 625 lower than the open. For more information on the technical, please click on the link. Supramax Technical Report 30/11/23 <https://fisapp.com/wp-content/uploads/2023/11/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-30-11-23.pdf>

Oil

OPEC+ agreed a surprise new oil supply cutback of 1 million barrels day, yet crude prices fell as traders remained sceptical amid a lack of clarity about how they it will be implemented. The alliance decided on the cutback at an online gathering on Thursday, delegates said, but its final communique made no reference to the curbs. In separate statements, Saudi Arabia pledged to continue its unilateral 1 million barrel-a-day cut through the first quarter, while other countries like Russia and Kuwait published details of their individual reductions. The absence of a comprehensive breakdown combined with the “voluntary” nature of the cuts left market watchers unconvinced. West Texas Intermediate futures erased initial gains to sink 3.4% to \$75.31 a barrel as of 11:30 a.m. in New York (Bloomberg). The futures traded above the USD 83.97 level this morning, meaning the intraday technical is now bullish. However, we are currently rejecting the 4-hour 200-period MA at USD 84.99 having sold lower into the close, we are unchanged on the day at USD 83.10. The pullback means that the MA on the RSI is now starting to flatten implying buyside momentum is starting to slow, this is also leaving an upside rejection on the daily chart, though granted we are still open for a few more hours. This could be significant as we traded to a high of USD 84.75, which is exactly a 100% projection of the move from the low on the 16/11 to the 20/11 from the pullback on the 22/11. I was not looking for a 3-wave correction higher, but fear I might be looking at one, making USD 81.04 the key intraday support to now follow. If broken, it will warn that support levels could come under pressure; likewise, a close above the 200 period MA will support a bull argument.

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