

# FIS European Close

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|                      | Previous Close | Current Close | % Change |                     | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 12375          | 11625         | -6.1%    | Pmx 1 month forward | 10875          | 10825         | -0.5%    |
| Cape Q2 24           | 17725          | 17325         | -2.3%    | Pmx Q2 24           | 13675          | 13750         | 0.5%     |
| Cape Cal 25          | 17450          | 17250         | -1.1%    | Pmx Cal 25          | 12025          | 12000         | -0.2%    |

  

|                     | Previous Close | Current Close | % Change |          | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 11000          | 10925         | -0.7%    | Brent    | 76.78          | 77.91         | 1.5%     |
| Smx Q2 24           | 13275          | 13225         | -0.4%    | WTI      | 71.32          | 72.59         | 1.8%     |
| Smx Cal 25          | 11775          | 11775         | 0.0%     | Iron ore | 132.3          | 134.35        | 1.5%     |

Iron Ore

Source FIS/Bloomberg

We were technically bearish in the morning report with the MA on the RSI continuing to warn of momentum weakness, despite the upside move overnight. A stronger USD after that the U.S. CPI figures has resulted in price trading lower, with the futures testing but holding just above the USD 131.50 low. The Feb contract is closing the day down USD 2.61 at USD 131.70, if we do trade below the USD 131,50 level it is going to create a positive divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown. However, a new low will not change the technical footprint of the market, as we maintain our view that upside moves look like they could still be countertrend at this point.

## Copper

Technically bullish with the futures moving higher on the back of momentum support. We traded to a high of USD 8,460, but the move failed to hold on the back of the U.S CPI figures coming in at 3.4%. The futures have given back the morning gains to close the E.U. session USD 5.00 lower at USD 8,365.5. Upside moves are still looking like they will be countertrend at this point, with a move above USD 8,483 warning that resistance levels could come under pressure; likewise, if we trade below USD 8,320 it will create another positive divergence on the intraday technical, this is not a buy signal, but does warn that we could see a momentum slowdown on a new low and will need to be monitored.

## Capesize

The index continues to weaken but at a slower pace than yesterday, as we are USD 2,257 lower at USD 20,105. The Feb futures have sold USD 750 lower to close at USD 11,625 with the disparity between the futures and the index at just under USD 8,500. We have rejected the 8-period EMA but remain cautious on downside moves still, as below USD 10,900 the futures have the potential to create another positive divergence with the RSI, warning sell side momentum could slow down if we trade to new lows.

## Panamax

Another bearish index today; however, like the capes the move is at a slower rate than yesterday, as price is only USD 383 lower at USD 11,454. However, the move today means we have now broken fractal support, indicating we are in bear territory. The Feb contract opened a little lower but continues to find light bid support with price closing USD 50 down at USD 10,825. From a technical perspective, we maintain our view that upside moves still look like they will be countertrend at this point, warning we could yet test the USD 10,125 low.

## Supramax

We continue to come under pressure with the index another USD 297 lower at USD 12,188. The Feb contract has had a near identical footprint to the Panamax with price opening lower, before finding light bid support to close the day USD 75 lower at USD 10,925. Net pricing, both are USD 450 higher since yesterdays open. The futures are finding light bid support due to the intraday positive divergence with the RSI; however, again, like the Panamax, upside moves look like they could be counter-trend.

## Oil

Oil climbed after Iran seized a tanker in the Gulf of Oman, the latest in a run of incidents that could threaten key shipping lanes. West Texas Intermediate rose as much as 3.4% to trade near \$74 a barrel after the capture of a tanker that was at the center of a sanctions dispute between Iran and the US. The episode adds a fresh dose of volatility as the US and allies weigh options for retaliating against Yemen-based Houthi militants for attacks on Red Sea shipping (Bloomberg). So, the dollar went up on the CPI figure; however, Brent followed the USD higher after the seizure of the tanker in the Gulf of Oman. The futures have broken the symmetrical triangle to the upside, but we are rejecting the daily EMA resistance band at this point, warning the move could fail to hold, meaning the breakout could still fail. We remain bearish with a neutral bias at this point with focus back on M-East tensions, as we wait to see if there is further escalation.

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