

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	10125	11625	14.8%	Pmx 1 month forward	11600	12175	5.0%
Cape Q2 24	16675	17375	4.2%	Pmx Q2 24	14325	14700	2.6%
Cape Cal 25	16650	16925	1.7%	Pmx Cal 25	12100	12375	2.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11875	12075	1.7%	Brent	78.64	77.92	-0.9%
Smx Q2 24	13800	14200	2.9%	WTI	72.76	72.07	-0.9%
Smx Cal 25	12000	12325	2.7%	Iron ore	127.5	129.35	1.5%

Iron Ore

Source FIS/Bloomberg

Iron ore rallied — following a two-day drop — on a report that China is considering 1 trillion yuan (\$139 billion) of new debt issuance to shore up growth. The steelmaking staple climbed as much as 2.2% after being down earlier in the session. The funding proposal under discussion by senior policymakers would involve the sale of ultra-long sovereign bonds for projects related to food, energy, supply chains and urbanization, people familiar with the matter said. Iron ore rose 1.5% to \$129.35 a ton in Singapore as of 5:22 p.m. local time. Futures in Dalian climbed 0.6%, while rebar and hot-rolled coil edged higher in Shanghai (Bloomberg). The Feb futures traded to a low of USD 125.45 before finding bid support on the back of the positive divergence with the RSI, resulting in a move up to USD 129.90. We have seen a small move lower in the Asian evening session to close the day at USD 128.80. Technically we are bearish with upside moves considered as countertrend; however, we are cautious on downside moves at these levels due to the divergence and the rejection candle.

Copper

Technically bearish in the morning report with price rejecting the USD 8,403 level and the EMA resistance band. Our intraday Elliott wave analysis indicated that we had a potential downside target as low as USD 8,216 with upside moves considered as countertrend. However, we had a note of caution on downside breakouts below USD 8,292.5 as it could create another positive divergence with the RSI. The futures have moved sideways for the remainder of the session, meaning our technical view remains unchanged from this morning.

Capesize

We have seen a slowdown in the index today with price USD 836 lower at USD 14,753. The Feb futures sold lower in the morning session before finding bid support on the slowing index and reports of more attacks on vessels in the Red Sea. From a technical perspective, the 4-hour divergence failed yesterday; however, the 1-hour and daily charts remained in divergence, contributing to the move higher. We have closed the day USD 1,500 higher at USD 11,625, if we trade above USD 11,765 then the probability of the futures trading to a new low will start to decrease. The open tomorrow will be key as we are on key resistance having produced a bullish engulfing candle on the daily chart, warning we could see further upside. We continue to maintain a cautious view on downside moves at these levels, due to the move higher on the back of the positive divergence.

Panamax

The index posted another small gain today with price USD 77 higher at USD 11,450. The Feb futures continue to move higher in what looks to be a countertrend move. However, the MA on the RSI is indicating that momentum is supported with the RSI moving above the 50 level, warning resistance levels are starting to look vulnerable. With further attacks in the Red Sea today there is a chance that the Elliott wave 5 of the wave C (downside move) may not materialise. The wave cycle is based on the psychological footprint of the market, which could change if the attacks intensify. Going into the close the futures are USD 575 higher at USD 12,175, price and momentum are aligned to the buy side with momentum support, with the 55-period EMA at USD 12,278. If we close above and hold above the 55-period average, it will further support a buyer's argument, whilst a move above USD 13,342 will imply that the probability of the futures trading to a new low will start to decrease. Meaning the probability of the wave cycle failing will start to increase.

Supramax

The index continues to weaken with price USD 190 lower today at USD 11,665. The Feb futures have moved higher alongside the rest of the freight complex; however, due to the negative index we are up only USD 200 at USD 12,075. The footprint in the futures is near-identical to that of the Panamax, in theory the move higher looks to be countertrend, based on our intraday Elliott wave analysis. The MA in the RSI is indicating that momentum is supported, price and momentum are aligned to the buy-side with price just below the 55-period EMA. If we close above and hold above the average, then the USD 13,188 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will start to decrease.

Oil

Despite the uncertainty in the Red Sea today, the futures have moved sideways, price remains on the flat moving averages with the RSI at 50, meaning the technical continues to have a neutral bias.

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