

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21375	20425	-4.4%	Pmx 1 month forward	15900	15425	-3.0%
Cape Q2 24	24650	24000	-2.6%	Pmx Q2 24	16725	16400	-1.9%
Cape Cal 25	20075	19800	-1.4%	Pmx Cal 25	13475	13475	0.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15262.5	15150	-0.7%	Brent	83.35	82.46	-1.1%
Smx Q2 24	15875	15700	-1.1%	WTI	79.22	79.17	-0.1%
Smx Cal 25	12875	13000	1.0%	Iron ore	127.25	120.85	-5.0%

Iron ore

Source FIS/Bloomberg

Iron ore slumped to a three-month low despite extra support for China's housing market as investors fretted that steel demand wouldn't stage a strong recovery after the Lunar New Year break. Futures sank more than 5% in Singapore to hit the lowest intraday price since early November, following a drop in the week's opening session. The weakness came even after Chinese banks cut a key reference rate for mortgages by a record amount, throwing more weight behind property-sector rescue efforts (Bloomberg). As noted last night, we had two potential scenarios due to the futures looking like they could break support. The new low has resulted in divergence failure, meaning we are looking at a higher timeframe corrective phase. To avoid any Element of doubt, if our wave analysis is correct, this is now a higher timeframe Elliott wave 3 of a wave C, meaning upside moves should be considered as countertrend.

Copper

Technically bullish but in a corrective phase in the morning report. We noted in the morning report that there were signs of momentum weakness, however the RSI high previously suggested that downside moves had the potential to be countertrend. The Futures held above EMA support with price trading to a now high into the close. Although the 4-hour RSI divergence is marginal, the one-hour divergence is more prominent. We now have a potential upside target at USD 8,636; however, the divergence does suggest caution on upside moves.

Capesize

Having slowed yesterday the index was USD 397 lower at USD 19,981 today. The futures came under pressure on the open with price closing USD 950 lower at USD 20,425. We are below the 8-21 period EMA's but remain above the 55-period EMA; however, today's close will be below the weekly pivot point (USD 21,508), warning the USD 18,750 fractal support is starting to look vulnerable.

Panamax

We have seen a bit of a slowdown in the index today with price only USD 220 higher at USD 14,016. We have been cautious on upside moves for the last week or so whilst the futures have consolidated due to a negative divergence in play. We opened with light bid support but sold USD 450 lower post index to close in the March contract at USD 15,425. This means the daily candle is below the weekly pivot level (USD 15,783), warning momentum based on price is weakening, suggesting support levels are starting to look vulnerable. For more information on the technical, please click on the link. Panamax Technical Report 20/02/24 <https://fisapp.com/wp-content/uploads/2024/02/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-20-02-24.pdf>

Supramax

Index momentum is now increasing with price USD 431 higher at USD 12,416. The strong index has kept price supported despite the weakness in the other sectors; however, the March contract still closed the day USD 112.50 lower at USD 15,150. The futures remain bullish and continue to remain in a consolidation phase, but in divergence, meaning we remain cautious on upside moves. We are now at an inflection point, as the weekly pivot level is at USD 15,125, if we close below this level, then support levels will start to look vulnerable. Likewise, if we hold above the pivot level, we could still see upside resistance come under pressure.

Oil

The intraday Elliott wave cycle has been unclear for the last few days; however, we have been cautious on upside moves due to the intraday divergence whilst the aggregate open interest has been dropping. This suggested that existing market longs were exiting the market on the upside move, warning we could be nearing an exhaustion point. The futures traded to a high of USD 83.63 before selling lower during the remainder of the session, with price USD 1.04 lower at USD 82.52 going into the close. Despite the unclear wave cycle, we remain cautious on upside moves due to the dropping AOI.

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