

FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

| | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|
| Cape 1 month forward | 33550 | 35900 | 7.0% |
| Cape Q2 24 | 32425 | 34075 | 5.1% |
| Cape Cal 25 | 21400 | 21925 | 2.5% |

| | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Pmx 1 month forward | 18175 | 18175 | 0.0% |
| Pmx Q2 24 | 17737.5 | 17925 | 1.1% |
| Pmx Cal 25 | 13075 | 13075 | 0.0% |

| | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Smx 1 month forward | 16375 | 15875 | -3.1% |
| Smx Q2 24 | 16050 | 15750 | -1.9% |
| Smx Cal 25 | 12725 | 12725 | 0.0% |

| | Previous Close | Current Close | % Change |
|----------|----------------|---------------|----------|
| Brent | 82.91 | 83.14 | 0.3% |
| WTI | 79.12 | 79.15 | 0.0% |
| Iron ore | 115.15 | 116.95 | 1.6% |

Iron Ore

Source FIS/Bloomberg

Iron ore gained for a second day, after bullish comments from senior Chinese officials who hinted at a potential liquidity boost that could aid steel demand. The steelmaking material extended this week's rally to more than 3%, recouping some of the 16% plunge over the prior two weeks. Although investors were disappointed by the lack of forceful steps announced at the National People's Congress in Beijing, they may have taken heart from comments by officials on Wednesday that defended the nation's plan to grow the economy by around 5% this year (Bloomberg). Having seen a small move higher in the Asian day session the April futures sold have sold lower to close between the EMA resistance band. We have now confirmed that price is in a countertrend Elliott wave 4 as the lower timeframe oscillators have crossed; however, we maintain our view that upside moves look to be countertrend at this point. The MA on the RSI is indicating that momentum remains supported, but the futures are testing the weekly pivot level at USD 115.60, a close below this level on the daily chart will warn that sell side momentum is increasing.

Turkish Scrap May 24 (Rolling 3 month) 07/03/24

Turkish Scrap May 24 (Rolling 3 month) 07/03/24 <https://fisapp.com/wp-content/uploads/2024/03/FIS-Turkish-Scrap-80-20-Technical-07-03-24.pdf>

Copper

We noted in the morning report that the move higher yesterday warned that we could be in the early stages of a bullish impulse wave 5. The futures have traded to new highs confirming it is a wave 5, meaning we now have a potential upside target at USD 8,724; however, price is in divergence with the RSI. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown which will need to be monitored.

Capsize

A reversal in fortunes in the index today with price USD 1,736 higher at USD 32,996. We noted in the close report last night that the April futures had opened below the weekly pivot level but closed firmly above it, suggesting the USD 37,250 fractal resistance was starting to look vulnerable. We gapped higher on the open with price closing the day USD 2,350 higher at USD 35,900, suggesting we are on a bullish impulse wave 5 for this phase of the cycle; Note; this will only be confirmed above USD 37,250. If we do trade to a new high, we have a potential upside target at USD 41,933 (revised down from 46,027 as the Fibonacci projection levels have been readjusted).

Panamax

The index is another USD 149 higher today at USD 15,220. The April futures opened with light bid support on the back of the Capesize move, to trade to a high of USD 18,625; however, price has eased lower post index to close flat on the day. We are bullish, with intraday downside moves looking like they could be countertrend; the bullish rejection candle on the daily chart yesterday, off the weekly pivot level supports this. We now need to trade above the USD 18,775 resistance, if broken, the USD 19,625 fractal high could come under pressure. If we reject it, then support levels will remain vulnerable, as it suggests we remain in a corrective phase.

Supramax

We are seeing a slowdown in the index with price only USD 53 higher at USD 14,484 today. The April Supramax has not seen an Elliott wave extension like the Cape and Panamax sectors and continues to look the weakest technical. Lower timeframe wave analysis does suggest that downside moves have the potential to be countertrend; however, we are closing below the weekly pivot level (USD 16,250), warning that sell side momentum is increasing, suggesting the USD 15,602 support is starting to look vulnerable. If broken, then the probability of the futures trading to a new high will start to decrease. Going into the close, the RSI is neutral at 50, if it goes below this level, then the oversold stochastic will start to become less relevant.

Oil

Oil fell, with technical support levels both limiting its losses and providing a barrier to further gains, as traders weighed the outlook for interest rates and turmoil in the Middle East. West Texas Intermediate dropped 0.9% to below \$79 a barrel. Crude has been fluctuating in a roughly \$3 range in the past week, with the key psychological level of \$80 serving as a ceiling and the 200-day moving average of around \$77.84 acting as a floor. "There is a chance that after two failed attempts in the \$80s in the past couple days, specs are rotating into other commodities," said Robert Yawger, director of the energy futures division at Mizuho Securities USA. He noted that other risk assets are rising today and gold is trading at a record (Bloomberg). I feel like I have signed an NDA on Brent. I want to talk about it, but there is really very little to say. We remain neutral with price consolidating around the daily 200-period MA.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

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