

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	36375	34000	-6.5%	Pmx 1 month forward	19700	19725	0.1%
Cape Q2 24	34125	32250	-5.5%	Pmx Q2 24	19150	19125	-0.1%
Cape Cal 25	21575	21450	-0.6%	Pmx Cal 25	13550	13375	-1.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	16275	16225	-0.3%	Brent	82.36	83.9	1.9%
Smx Q2 24	15975	16025	0.3%	WTI	78.03	79.5	1.9%
Smx Cal 25	12725	12725	0.0%	Iron ore	109.15	105.35	-3.5%

## Iron Ore

Source FIS/Bloomberg

For iron ore, it's a case of another day, another drop. Futures in Singapore are buckling once again as investors are forced to acknowledge that policymakers in China aren't about to turn up the dial on steel-heavy stimulus in 2024. The latest leg of the selloff means benchmark prices are -25% YTD, bringing into view the level that may start to call into question some of the world's higher-cost production. Still, this doesn't look like the bottom quite yet. With prices below \$105/ton, a couple of markers are worth watching for. First up would be a challenge of the totemic \$100/ton level. After that, the next figure of interest is \$94, last year's intraday low (Bloomberg Markets live). Having sold lower overnight the April futures have seen little price movement in the Asian Evening session. We remain bearish with the MA on the RSI indicating momentum remains weak, meaning we could see another small test to the downside. However, the futures are in divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown. In theory, this trend is potentially nearing exhaustion point, as we have what looks to be a 5-wave pattern within a wave C. Our fear is that there could be a larger cycle in play which we illustrated in the morning technical report.

## Copper

Copper rallied to the highest level since April after major Chinese smelters pledged to explore measures to cope with a plunge in processing fees that has pushed them into cut-throat competition. Prices climbed as much as 3.4% in London, after executives from at least 15 Chinese plants discussed steps including potential production cuts in Beijing on Wednesday. However, no formal decisions or pledges were made at the meeting and any specific measures will be announced at a later date, according to people with knowledge of the matter (Bloomberg). We were a cautious bull in the morning report due to the divergence that was in play. The upside move today has changed the footprint of the futures, meaning we are looking at least at a 5<sup>th</sup> wave extension, or potentially a change to the larger cycle. Either way, downside moves should be considered as countertrend as all my divergences have failed on the lower timeframe.

## Capesize

The index turned today with price USD 798 higher at USD 34,737. The Futures produced a bullish close last night back above the weekly pivot point, resulting in price trading to a high of USD 37,125 this morning. We noted that the Elliott wave cycle had the potential to trade as high as USD 41,933 this morning; however, we were cautious on upside breakouts above USD 37,750 as there would be a negative divergence in play. We failed to make a new high with the April contract selling aggressively again this afternoon, to close USD 2,375 lower at USD 34,000, meaning we are back below the weekly pivot point. Technically we are still bullish, but we now have a an intraday high at USD 37,250 on the 04/03, this is followed by a high of USD 37,750 on the 08/03. Today we have traded to a high of USD 37,125 before correcting, three highs, the last one being the lowest. Yep, we potentially have an intraday bearish head and shoulders pattern forming, with the right shoulder lower than the left. If we trade below USD 31,750 then it could mean that we are entering a higher timeframe corrective phase. Caution is now needed.

## Panamax

A big index today with price USD 848 higher at USD 17,049. However, the April futures made their move yesterday to confirm that we were on a wave-5 of this cycle; today we started with light bid support and closed USD 25 higher at USD 19,725 in a very limited range. We are bullish but in divergence, suggesting caution on upside moves. For what it is worth, the current wave 3 is shorter than the wave 1, so there is a chance that we could trade above the USD 21,000 level.

## Supramax

The index is another USD 57 lower today at USD 14,306. The April futures have failed to close above the weekly pivot with price closing USD 50 lower at USD 16,225. For more information on the technical, please click on the link. Supramax Technical Report 13/03/24 <https://fisapp.com/wp-content/uploads/2024/03/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-12-03-24.pdf>

## Oil

We noted in the morning report that the longer-term trend remained neutral; however, the futures were testing and holding above the intraday 200 – period MA (USD 81.97) whilst price and momentum had become aligned to the buy side, suggesting resistance levels were looking vulnerable. The futures are trading USD 1.94 higher at USD 83.86 going into the European close, we also have price and the RSI making new highs, warning the technical condition is starting to strengthen. I might be getting excited a little too early, but it looks to me like we could try and make a break to the upside (just an opinion, not investment advice), as the futures are pushing above the Bollinger band resistance. Ultimately, we need to see a close above that holds above USD 84.80 on the daily chart, if we do, then we could shift higher.

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