

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	27000	28000	3.7%
Cape Q2 24	25700	26400	2.7%
Cape Cal 25	20750	21050	1.4%

	Previous Close	Current Close	% Change
Pmx 1 month forward	16475	16125	-2.1%
Pmx Q2 24	15950	15825	-0.8%
Pmx Cal 25	13400	13475	0.6%

	Previous Close	Current Close	% Change
Smx 1 month forward	15375	15175	-1.3%
Smx Q2 24	15050	14975	-0.5%
Smx Cal 25	12800	12800	0.0%

	Previous Close	Current Close	% Change
Brent	90.65	90.04	-0.7%
WTI	86.25	85.52	-0.8%
Iron ore	106.6	108.35	1.6%

Iron Ore.

Source FIS/Bloomberg

The futures continue to consolidate in the resistance area highlighted in the morning technical. The daily technical is testing the EMA resistance band with the RSI below 50 whilst the stochastic is in overbought territory, if the RSI holds below 50, we could see an intraday move lower. As noted in the morning report, a move above USD 108.90 will create an intraday negative divergence with the RSI, meaning there is reason to be cautious on upside moves at this point.

Copper

We have been cautious on upside moves for the last couple of days due to the futures being in divergence with the RSI. Price is now USD 50 lower at USD 9,324 on the day. The RSI has rejected its moving average with the futures testing the USD 9,310 support, if broken, then the probability of the futures trading to a new high will start to decrease.

Capesize

The slowdown in the index yesterday warned that it could be about to turn, this has been the case with price is USD 2,257 higher at USD 20,523. Having closed on the 55-period EMA yesterday the futures opened with bid support. The May contract traded up to the USD 28,750 the fractal high from the 28/03, before drifting lower post index to close USD 1,000 higher at USD 28,000. The MA on the RSI is implying that momentum is supported with price above the weekly pivot level; the futures now need to trade above and hold above the USD 28,750 level, to avoid creating a double top in the market.

Panamax

The index turned today, with price USD 412 higher at USD 13,756, meaning momentum based on price is now aligned to the buy-side. However, the May futures have had a less productive day with price failing to hold above the 55-period EMA (USD 16,637). Having opened with bid support the futures sold lower post index to close down USD 350 at USD 16,125. The MA on the RSI is still warning that momentum is supported, suggesting the futures are rebalancing a little, as the May carry is around USD 2,300. We are on the weekly pivot level USD 16,100, but this will change again on Monday, meaning its relevance is waning a little as it is Friday tomorrow. From a technical perspective it is not a great close, as the dark cloud cover pattern on the daily chart is warning we could see a move lower; however, at this point it is still just a warning, we will need to see a close below USD 15,375 for confirmation that the pattern is in play.

Supramax

The index has turned, but the upside moves are disappointing with price only USD 11.00 higher today at USD 13,874. Like the rest of the freight complex, we opened higher, but the move has failed to hold. The May contract is USD 200 lower at USD 15,175; however, the MA on the RSI is warning that momentum is supported with price above the 55-period EMA and the weekly pivot point, suggesting the pullback is still looking corrective rather than bearish at this point.

Oil

Having opened with bid support this morning, the futures failed to trade above the USD 91.10 fractal high, resulting in price breaching but holding above the weekly pivot level (USD 89.72). We are USD 0.35 lower at USD 90.13 on the EU close with price now consolidating for the last four sessions. We maintain our view that downside moves look like they could be counter-trend based on our Elliott wave analysis.

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