

# FIS European Close

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|                      | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|
| Cape 1 month forward | 28875          | 26925         | -6.8%    |
| Cape Q2 24           | 26875          | 25575         | -4.8%    |
| Cape Cal 25          | 21250          | 21125         | -0.6%    |

|                     | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Pmx 1 month forward | 16650          | 16250         | -2.4%    |
| Pmx Q2 24           | 16075          | 15887.5       | -1.2%    |
| Pmx Cal 25          | 13425          | 13325         | -0.7%    |

|                     | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Smx 1 month forward | 15975          | 15900         | -0.5%    |
| Smx Q2 24           | 15525          | 15475         | -0.3%    |
| Smx Cal 25          | 13100          | 13025         | -0.6%    |

|          | Previous Close | Current Close | % Change |
|----------|----------------|---------------|----------|
| Brent    | 87.42          | 87.54         | 0.1%     |
| WTI      | 82.86          | 83.17         | 0.4%     |
| Iron ore | 115.85         | 116.55        | 0.6%     |

Iron Ore

Source FIS/Bloomberg

Technically bullish in the morning report the futures were in divergence with the RSI on a lower timeframe, warning that we could see a momentum slowdown. We noted that we were in balance as there was still a chance that the wave cycle could extend if the futures remained elevated. The May contract has sold USD 1.99 lower to close at USD 114.85 in the evening session, below USD 111.57 the probability of the futures trading to a new high will start to decrease, below USD 108.60 the intraday technical is bearish. However, corrective moves lower that hold at or above 102.91 will warn that there is potentially a larger, bullish Elliott wave cycle in play. If you look at the aggregate open interest (AOI) on the DCE futures we can see that price is rising whilst the AOI is dropping, indicating the upside move is driven by market shorts looking for cover. This is also a warning that the longer-term technical could be transitioning to the buyside.

Turkish Scrap May 24

Turkish Scrap May 24 18/04/24 <https://fisapp.com/wp-content/uploads/2024/04/FIS-Turkish-Scrap-80-20-Technical-18-04-24.pdf>

Copper

The long-term story in copper is unequivocally bullish. A pivot to a lower-carbon global vehicle fleet should see strong demand bolstering prices for years to come. It's just that the metal picked a weird moment to show it. In the here and now, China's in the doldrums, electric vehicle sales are slumping and there's plenty of metal about. Yet copper is at a two-year high, up 11% year to date and the strongest-performing industrial metal in the Bloomberg Commodity Index. Citi and some others point to an increase in the global manufacturing outlook. And while it's true that the JPMorgan Global Manufacturing PMI has lifted out of contractionary territory, at 50.6 it's hardly instilling confidence. China, in particular, has only had two positive readings in the past year -- the previous was in September before it slipped back to a 49 handle (Bloomberg). As noted in the morning report, the futures may move higher, but due to the negative divergence they were not considered a technical buy. We have seen price trading to new highs with price remaining in divergence. The upside move means we have seen a wave extension within the existing 5<sup>th</sup> wave, that is suggesting caution on intraday downside moves in the near-term. However, this is a wave 5, which can be notoriously unreliable on the lower time frame, meaning we maintain our view that the futures are not considered a technical buy at these levels.

Capesize

The index continues to move higher with price up another USD 705 at USD 23,598 today. We noted in the morning technical that the futures had failed to hold above the resistance line whilst the 1-and-2-hour RSIs were in divergence, meaning the futures were not considered a technical buy at these levels, implying support levels were vulnerable. We had a small move lower in the May contract this morning with price coming under further pressure post index to close the day USD 1,825 lower at USD 27,050. Going into the close we are below the 55-period EMA (USD 27,350), but above the weekly pivot level (USD 26,500). The failure to hold the upside move yesterday, followed by the lower close today would suggest that support levels continue to look vulnerable.

## Panamax

Another strong index today with price USD 641 higher at USD 15,549. We noted in the morning report that the futures had broken below the channel support; however, we remained above the weekly pivot level with the MA on the RSI continuing to suggest that momentum was supported. For this reason, we maintained our view that resistance levels were still vulnerable. The futures have sold another USD 175 lower to close the day down USD 400 at USD 16,250, meaning price is now below the 55-period EMA with the RSI looking like it could cross below its average. Price action is starting to weaken; however, we have the 200-period intraday 4-hour MA at USD 15,958. This is a benchmark average, so we continue to have a note of caution on downside moves. If we close below and hold below the average, it will warn that sentiment is turning weaker, meaning support levels could come under pressure.

## Supramax

The index is another USD 311 higher today at USD 15,013. As noted in the morning technical, we were bullish with the MA on the RSI implying that momentum was supported, this was countered by a divergence on the 1-hour RSI, warning we could see a momentum slowdown. We were cautious on upside moves as the technical warned that we could see a move lower; however, with price trading above the 15,821 resistance, a corrective move had the potential to be countertrend. Having traded to a high of USD 16,075, the May futures have seen a small pullback post index to close the day at USD 15,900. We remain cautious on upside moves at these levels, but maintain our view that downside moves look like they could be countertrend.

## Oil

As noted in the morning report, the intraday futures were technically bearish whilst the Elliott wave cycle was bullish but in a corrective phase, implying downside moves should be considered as countertrend. The MA on the RSI implied momentum was weak; however, the 200-period MA at USD 85.56 had the potential to attract buying interested if tested, as this is a benchmark average. We also noted that aggregate open interest had not decreased on the downside move, implying market longs were holding their positions. The futures traded to a low of USD 86.09 but failed to close below the average with price trading at USD 87.68 going into the close.

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