

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24750	25875	4.5%	Pmx 1 month forward	15562.5	16075	3.3%
Cape Q2 24	24200	25150	3.9%	Pmx Q2 24	15550	15825	1.8%
Cape Cal 25	21000	21250	1.2%	Pmx Cal 25	13300	13475	1.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15650	16050	2.6%	Brent	87.15	87.97	0.9%
Smx Q2 24	15350	15575	1.5%	WTI	83.02	82.93	-0.1%
Smx Cal 25	13050	13100	0.4%	Iron ore	116.2	112.35	-3.3%

Iron Ore

Source FIS/Bloomberg

Having sold lower this morning, the May futures have seen a technical bounce, with price holding the USD 111.57 support. Momentum is conflicting as the MA on the RSI is warning that it is weak; however, the RSI is above 50 with the stochastic in oversold territory, implying we move higher. The RSI low is suggesting that upside moves have the potential to be counter-trend, whilst a new high will create further negative divergences with the RSI. For this reason, we maintain a cautious view on upside moves, as they could struggle to hold.

Copper

Copper’s powerful rally close to \$10,000 a ton is facing a test as buyers in China, the world’s biggest market, balk at prices near their highest in two years. The metal has surged in recent weeks on investor optimism over a recovery in global manufacturing and the prospect of tightening mine supplies. But sceptics have pointed to weakness in China — including what they say is a growing reluctance among the country’s copper fabricators to accept higher levels (Bloomberg). The futures have continued to move lower with price trading below the weekly pivot level (USD 9,733), if we close on the daily chart below it, then it will warn that the USD 9,542 support could be tested. This is a key level on the intraday technical, as the Elliott wave cycle is suggesting that downside moves should be considered as countertrend. However, if broken, then the probability of the futures trading to a new high will start to decrease, bringing into question the wave cycle. Going into the close, the technical is weakening, but whilst above USD 9,542 we maintain a bullish view.

Capesize

The index continues to come under pressure with price USD 2,021 lower at USD 20,389 today. Momentum based on price is aligned to the sell side; however, we have secondary trend support at USD 18,748 tomorrow, with primary support at USD 14,327. From a technical perspective this suggests caution if we move much lower. We maintained our view this morning that the 200-period MA at USD 24,087 could be broken, based on price breaking the triangle pattern to the downside, the futures being below the weekly pivot level, whilst the MA on the RSI implied momentum weakness. The May contract traded to a low of USD 24,675 before finding bid support post index, to close the day USD 1,125 higher at USD 25,875. There is clearly an expectation that the secondary trend support on the index is going to hold, I think we could try for the USD 17,854 fractal low, which would then put the technical in divergence with the RSI, suggesting it will be the primary support that will hold. The question is, will the May futures be able to hold above the 200-period MA if we do trade to a new low? Carry would be around USD 8,000, so it is possible; However, it is hard to see the futures moving much higher until the index has turned, or at least shown a severe slowdown.

Panamax

The index turned today with price USD 126 lower at USD 15,886. The intraday and daily technical are conflicting at the moment. In theory, the intraday low on the RSI would suggest that resistance levels should hold if tested. However, the daily technical shows that the futures are holding above a support zone, making it a high risk area to be going short. We have a technical report today, to dampen expectations I should warn you that there is a lot of neutral price action. Panamax Technical Report 23/04/24 <https://fisapp.com/wp-content/uploads/2024/04/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-23-04-24.pdf>

Supramax

Another bull day on the index today with price USD 220 higher at USD 15,735. This is a larger increase than yesterday, meaning momentum is stable at this point. Technically bullish this morning, the pullback had not been deep enough to be the corrective phase that we were looking for, as the May contract held above the USD 15,388 support. We are closing the day USD 400 higher at USD 16,050 with the futures closing back above the weekly pivot level (USD 15,783), implying buyside momentum is increasing. However, the intraday RSI remains below its average, meaning price and momentum are still conflicting. Bullish into the close, we continue to have a note of caution on upside moves, as above USD 16,375 the futures will create a second divergence.

Oil

We noted in the morning technical that there was a chance that we could see an intraday move lower, as the futures had rejected the weekly pivot level at USD 88.18 this morning; however, we remained cautious on downside moves as a new low would likely create further divergences. The futures traded to a low of USD 86.03 before finding bid support this afternoon. Going into the E.U. close, we are trading at USD 88.00. We remain cautious on downside moves.

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