

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	25875	24450	-5.5%
Cape Q2 24	25150	24175	-3.9%
Cape Cal 25	21250	21425	0.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	16075	15950	-0.8%
Pmx Q2 24	15825	15650	-1.1%
Pmx Cal 25	13475	13475	0.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	16050	15975	-0.5%
Smx Q2 24	15575	15487.5	-0.6%
Smx Cal 25	13100	13075	-0.2%

	Previous Close	Current Close	% Change
Brent	88.45	87.83	-0.7%
WTI	83.4	82.66	-0.9%
Iron ore	112.35	117.8	4.9%

Iron ore

Source FIS/Bloomberg

We noted in the morning report that the upside move in the Asian day session had created an Elliott wave extension, meaning we had the potential to trade as high as USD 125.96 within this phase of the cycle. We highlighted that if we closed the session back above the weekly pivot level it would warn we could move higher in the near term. However, the futures were in divergence with the RSI, suggesting caution on upside moves. The May futures remained supported into the night session resulting in price closing nearly USD 1.00 higher at USD 118.85. We remain bullish with the potential to see the futures move higher in the near-term but continue to have a cautious approach due to the divergence in play.

Copper

Technically bullish this morning with the futures trading back above the weekly pivot level (USD 9,733), we noted that we needed to see a daily close above this level to confirm that buy-side pressure was increasing. Although our Elliott wave cycle is bullish, implying downside moves should be considered as countertrend, we had a note of caution on upside moves this morning due to the MA on the RSI indicating that momentum was weak, whilst the RSI had broken support on the move lower yesterday. Going into the close, the futures are around USD 15 lower than the morning's technical at USD 9,806. We continue to have a note of caution on near-term upside moves, as the RSI is testing its MA resistance. It looks like we could close above the weekly pivot tonight; however, momentum suggests caution.

Capesize

The index has slowed down since yesterday, but price was still another USD 944 lower at USD 19,445. The May futures opened with bid support with price trading to a high of USD 26,350; however, bids faded within a few hours resulting in the futures closing USD 1,425 lower at USD 24,450. The futures are now below the 200-period MA (USD 25,041) with the MA on the RSI implying that momentum remains weak. We have only seen one candle close below the average, meaning we could still see market buyers trying to protect the average in the morning; However, with tomorrow's pivot point looking like it could be at USD 25,058 on the open, we are going to need to see support early on, otherwise market sellers are going to try and break the USD 23,500 fractal support.

Panamax

The downside move in the index has slowed today with price only USD 35 lower at USD 15,950. We noted in the morning report that we had seen a small rejection candle at the 200-and-55-period EMA's on the open, if we closed below the USD 16,025 level (the low of the rejection candle) it would weaken the technical further. However, as highlighted in yesterday afternoon's technical, downside moves would be into a daily support zone, which market sellers needed to be aware of. The May futures closed at USD 15,950, which is below the low of the rejection candle. In theory, we should move lower; however, with the support zone starting at USD 15,400 and the index slowing, it is a high-risk entry for a fresh market short. If we see an upside move tomorrow above the high of the rejection candle (USD 16,550), then one would expect to see a round of short covering in the market. From a technical perspective, you do not buy into a rejection candle, or sell into a support zone. It is a bit boring, but I am currently neutral.

Supramax

Another good index today with price USD 280 higher at USD 16,015. The daily chart has a bearish rejection candle whilst in divergence, meaning the May futures are not considered a technical buy at this point, as support levels look vulnerable. For more information on the technical, please click on the link. Supramax Technical Report 24/04/24 <https://fisapp.com/wp-content/uploads/2024/04/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-24-04-24.pdf>

Oil

Oil fluctuated as traders weighed a larger-than-anticipated drop in US crude stockpiles against broader risk-off sentiment. West Texas Intermediate traded near \$83 a barrel, swinging in a narrow range on Wednesday. US oil inventories fell by 6.37 million barrels last week, according to an Energy Information Administration report. The stockpile draw was larger than most analysts anticipated and was the biggest decline since January. Meanwhile, a flight from risky assets gripped broader markets. The S&P 500 Index swung in directionless trading while a stronger US dollar made commodities priced into the currency more expensive (Bloomberg). The futures were in the process of rejecting the USD 89.07 resistance this morning (traded to a high of USD 88.86); however, the MA on the RSI implied that momentum was supported with price and momentum aligned to the buy side. We noted that it would need to become aligned to the sell side for support levels to come under pressure and maintained a cautious view on downside moves. The futures have moved 28 cents lower since the morning technical with price trading at USD 87.87 going into the close. An uneventful day, meaning we maintain a cautious view on downside moves, as price and momentum remain aligned to the buy side.

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