

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	31750	30125	-5.1%	Pmx 1 month forward	17925	16975	-5.3%
Cape Q3 24	28625	27200	-5.0%	Pmx Q3 24	16900	16750	-0.9%
Cape Cal 25	22175	21750	-1.9%	Pmx Cal 25	13950	13800	-1.1%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	16575	16175	-2.4%	Brent	82.98	83.48	0.6%
Smx Q3 24	15675	15375	-1.9%	WTI	78.37	78.85	0.6%
Smx Cal 25	13175	13050	-0.9%	Iron ore	118.7	115.1	-3.0%

Iron Ore

Source FIS/Bloomberg

China's real estate market is poised to improve in the second half of this year, in a possible boost to iron ore demand, according to an executive from Brazil's Vale SA. "We think it's very likely that in second half, we're going to see a positive impact in the property sector, given all the stimulus that the government is putting in place," Eduardo de Mello Franco, marketing manager for the world's second-biggest iron ore miner, said at a major industry conference in Singapore. The steelmaking material fell for a second day after racking up its highest close since February on Monday. Uncertain prospects for China's beleaguered property sector remain a key drag on steel demand in the biggest global market (Bloomberg). Bullish but in a corrective phase this morning, the June futures have found bid support in the Asian evening session to close USD 2.10 higher at USD 116.80. However, as noted this morning, the MA on the RSI is warning that momentum is weakening whilst the RSI has broken support, suggesting caution on upside moves at this point.

Copper

The futures continued to move lower with the RSI closing below its average, meaning price and momentum are aligned to the sell side going into the close. The futures are trading in the intraday EMA support band with the RSI near-neutral at 49; however, the depth of the pullback is now warning that the USD 9,739 fractal support is starting to look vulnerable; if we close below the weekly pivot level (USD 9,953) it will warn that sell side pressure is increasing. Down USD 135.50 at USD 9,394 as of 16.16 BST, we maintain our view based on intraday Elliott wave analysis that downside moves look to be countertrend. Note: we have still yet to confirm that we have entered the higher timeframe corrective Elliott wave 4 at this point.

Capesize

The index is another USD 2,501 higher today at USD 29,365. The futures opened the day with bid support with the June contract trading to a high of USD 33,650 on the open. However, bids faded early on with very little trading between USD 33,175 and USD 32,000, post index we continued to sell lower with the futures continuing to come under pressure post index to close the day USD 1,625 lower at USD 30,125. This means that we did see an intraday close below the daily pivot level, warning us we were entering into a corrective phase. A bearish engulfing candle on the daily chart with price and momentum aligned to the sell side is suggesting that support levels could come under pressure in the near-term, making USD 25,746 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Panamax

Another strong index today with price USD 499 higher at USD 16,975. However, like the capes, the June futures opened with bid support before selling for the remainder of the session. When I wrote the weekly technical report today, the daily candle had been a dark cloud cover pattern, we have since moved lower, meaning we are looking at a bearish engulfing pattern. For more information on the technical, please click on the link. Panamax Technical Report 08/05/24 <https://fisapp.com/wp-content/uploads/2024/05/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-08-05-24.pdf>

Supramax

Having turned yesterday the index is another USD 171 higher at USD 16,245 today. We noted in the morning report that the June futures were in the process of rejecting a trend resistance, warning that we could see an intraday pullback; however, as highlighted yesterday, the RSI high implied that downside moves looked like they could be countertrend, making USD 15,901 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. The futures have continued to sell lower with the RSI now below its MA, suggesting intraday price and momentum will be aligned to the sell side on the open tomorrow, warning the USD 15,901 support could come under pressure.

Oil

Having sold lower on the open today, we noted the futures remained in divergence with the RSI, meaning we maintained a cautious view on downside moves. The futures had already started to base before the EIA figures came out, reporting Crude oil inventories had dropped by USD 1.36 million barrels. The futures caught a bid with price trading at USD 83.36 on the EU close, USD 0.20 higher on the day. We remain cautious on downside moves at these levels; however, upside moves that fail at or below USD 87.07 will leave the technical vulnerable to further tests to the downside.

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