

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	30250	28000	-7.4%	Pmx 1 month forward	17275	16650	-3.6%
Cape Q3 24	27425	26850	-2.1%	Pmx Q3 24	16700	16450	-1.5%
Cape Cal 25	21500	21375	-0.6%	Pmx Cal 25	13850	13850	0.0%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	16350	15800	-3.4%	Brent	82.78	83.17	0.5%
Smx Q3 24	15475	15250	-1.5%	WTI	78.2	78.86	0.8%
Smx Cal 25	13150	13125	-0.2%	Iron ore	115.8	116.9	0.9%

Iron Ore

Source FIS/Bloomberg

Having traded to a low of USD 113.60 the June futures caught a bid after China announced that they were going to issue ultra long special sovereign bonds to support the economy. We traded to a high of USD 117.80 before spending the rest of the session just above the 34 – 55-period EMA's, to close the day around the USD 116.75 level. In theory, we still have the potential to trade as high as USD 125.96 having held above the USD 112.53. The stimulus could affect the technical; however, at this point, we remain cautious on upside moves above USD 120.15, as price and the RSI will be divergent.

Copper

It is the same story with copper as Iron Ore, the futures are moving higher on the back of stimulus, meaning we have broken the symmetrical triangle to the upside. The USD 10,208 fractal high is coming under pressure, if broken we have a potential upside target at USD 103,48 within this phase of the cycle. This will also mean that we are seeing an Elliott wave extension within the existing trend, as the corrective Elliott wave 4 was never confirmed, meaning downside moves will still be considered as countertrend.

Capesize

The index continues to come under pressure with price another USD 1,528 lower at USD 25,773 today. We noted on Friday (and this morning) that the bearish rejection candle on the weekly chart warned that there was the potential for further downside within this corrective phase. The June contract closed the day around USD 2,125 lower at USD 28,125. For more information on the technical, please click on the link. Capesize Technical Report 13/05/24 <https://fisapp.com/wp-content/uploads/2024/05/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-13-05-24.pdf>

Panamax

The index is another USD 73 lower at USD 16,821. The June futures have followed the Capesize with price USD 625 lower at USD 16,650, meaning we close the day on the 55-period EMA (USD 16,652) and below the 200-period MA (USD 16,722). If we move below and hold below these two averages, then support levels will be vulnerable. The RSI is below 50, with the MA on the RSI warning of momentum weakness, we now need to hold below 50 as the stochastic is in oversold territory, failure to do so will warn that we could see the futures move higher. As noted this morning, the technical is conflicting as the gravestone Doji on the weekly chart suggested that we could move lower but the RSI high last week implied that the move lower looks to be countertrend. We are now approaching the USD 16,395 support, if broken then the probability of the futures trading to a new high will start to decrease.

Supramax

An unchanged index today at USD 16,333. The June futures sold USD 550 lower today to close at USD 15,800. We were a cautious bull this morning and needed to see a buy set up with price and momentum aligned to the buy side, as the weekly candle warned that the USD 15,901 support was vulnerable. This level has now been broken, meaning that the probability of the futures trading to a new high has started to decrease, below USD 15,400 the technical will be bearish. The MA on the RSI is warning that momentum remains weak, indicating support levels are still vulnerable, we have also closed below the weekly pivot level (USD16,425), indicating that sell side pressure is increasing. The futures will now need to see a bullish print on the index as this technical looks vulnerable to further downside moves.

Oil

Oil edged higher, while remaining rangebound, as traders weighed signs of a tighter market against decreased geopolitical risks. West Texas Intermediate climbed above \$79 a barrel, helped by a risk-on mood in broader markets, while staying within the roughly \$5 range it has swung in this month. While still up for the year, prices began a downward arc in mid-April amid signs of easing tensions in the Middle East. Illustrating the weakening sentiment, money managers last week reduced their combined net-long positions on Brent and WTI by the most in five months (Bloomberg). Having warned on Friday morning that the upside move in the futures was showing signs of exhaustion, the futures traded to a low of USD 82.26 before finding light bid support to close the day USD .35 higher at USD 83.14. We noted this morning that below USD 81.71 the futures will be in divergence with the RSI, warning we could see a momentum slow. We also highlighted that the weekly 200-period MA was at USD 79.47, an area where we have seen CTA support, suggesting caution on downside breakouts. A view that we maintain into the close.

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