

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	28000	27325	-2.4%	Pmx 1 month forward	16650	16250	-2.4%
Cape Q3 24	26850	26875	0.1%	Pmx Q3 24	16450	16150	-1.8%
Cape Cal 25	21375	21400	0.1%	Pmx Cal 25	13850	13725	-0.9%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15800	15500	-1.9%	Brent	83.45	82.18	-1.5%
Smx Q3 24	15250	15150	-0.7%	WTI	79.2	77.79	-1.8%
Smx Cal 25	13125	13000	-1.0%	Iron ore	116.9	115.15	-1.5%

Iron Ore

Source FIS/Bloomberg

We were cautious on upside moves above USD 120.15 due to the futures being in divergence on a new high yesterday. A property default by Agile Group Holdings in China highlighted the risks in the sector. The June futures sold lower on the news with price back below the EMA support band whilst the RSI has moved below 50. The technical continues to show signs of weakness with the futures closing at USD 114.30. If we trade below the USD 112.53 level, then the probability of price trading to a new high will start to decrease. We maintain a cautious view on upside moves, as support levels continue to look vulnerable.

Copper

The upside breakout to a new high means that the futures are in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown which will need to be monitored. The MA on the RSI is warning that we have momentum support; however, sideways action in the futures for most of the session has now been followed by a small move lower, meaning the RSI is crossing its average. The longer-term technical is divergence, but the RSI has broken above the high from the 13/05, meaning downside moves have the potential to be countertrend in the near-term. This is an Elliott wave extension, so if we do enter a larger corrective phase, it will still be considered as countertrend.

Capesize

The index continues to come under pressure with price USD 1,462 lower at USD 24,311 today. The June futures have sold USD 675 lower to close the day at USD 27,325. Light bid support into the close means we are just below the 200 period EMA (USD 27,473), if we fail to close back above the average it will warn that the USD 25,746 support could be tested and broken. This technical is still bullish, below USD 25,746 it will be neutral, meaning that the probability of the futures trading to a new high will start to decrease. The MA on the RSI is warning momentum is still weak, whilst both Panamax and Supramax have broken key support levels, both of which are below their 200-period EMA's. If the futures do not see positive price action on the open tomorrow, then the USD 25,746 support will start to look vulnerable.

Panamax

The index is another USD 358 lower today at USD 16,463. The June futures sold lower for most of the session before finding bid support late on to close USD 400 lower at USD 16,250. For more information on the technical, please click on the link. Panamax Technical Report 14/05/24 <https://fisapp.com/wp-content/uploads/2024/05/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-14-05-24.pdf>

Supramax

Flat yesterday, the index is USD 109 lower at USD 16,244 today. We noted in the morning report that the futures were testing the USD 15,400 level, suggesting we were about to enter bearish territory. Support was broken with the MA on the RSI warning that momentum remained weak, the RSI is also making new lows, warning resistance levels could hold if tested in the near-term. Like the rest of the freight complex, we have seen light bid support late on with the June contract USD 300 lower at USD 15,500. This technical is now bearish.

Oil

We noted in the morning report that although the RSI was above its MA, the average warned that momentum remained weak meaning support levels were still vulnerable. The futures have sold USD1.18 lower with price trading at USD 82.18 going into the EU close. We maintain our view that the USD 81.71 fractal low remains vulnerable; however, we have a note of caution on downside breakouts below this level, as the RSI will be in divergence.

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