

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	25750	25425	-1.3%	Pmx 1 month forward	15850	15700	-0.9%
Cape Q3 24	25750	25675	-0.3%	Pmx Q3 24	15800	15700	-0.6%
Cape Cal 25	21325	21125	-0.9%	Pmx Cal 25	13350	13525	1.3%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14875	15000	0.8%	Brent	77.52	78.24	0.9%
Smx Q3 24	14975	15150	1.2%	WTI	73.25	73.99	1.0%
Smx Cal 25	12850	12900	0.4%	Iron ore	107.39	106.73	-0.6%

Source FIS/Bloomberg

## Iron Ore

The futures remain technically bearish with the small upside move yesterday failing to hold. We have seen little price movement in the afternoon session with the futures remaining below the EMA support band, the MA on the RSI continues to warn that momentum is weak at this point. We do have a minor positive divergence in play, meaning sell side momentum could slow down; however, we maintain our view that upside moves look like they could be countertrend. We close the day in the July contract at USD 107.15 which is 35 cents higher than the mornings technical.

## Copper

A heated competition for copper among some of the biggest commodity traders is creating opportunities for miners to negotiate favorable terms ranging from huge upfront payments to extra-long contracts. Recent moves by cash-flush energy traders including Mercuria Energy Group Ltd. to expand in metals — a market long dominated by Glencore Plc and Trafigura Group — are raising tensions and sparking a scramble for contracts, at a time when the industry is already facing an unprecedented supply squeeze in copper ore (Bloomberg). The downside move yesterday has resulted in the futures trading below the 200-period MA (USD 10,002), the 4-hour divergence has also failed. We have sold another USD 80.00 lower since the morning report with price continuing to trade in the daily support band, whilst the 1-hour RSI remains divergent. For this reason, we maintain a cautious view on downside moves at these levels.

## Capesize

The index is another USD 879 higher today at USD 24,424. Technically bearish this morning, price action was bullish having closed back above the trend support line on the close yesterday, the whipsaw indicated that there was buy-side support in the market. We noted in the morning report that the futures were trading at USD 26,325 with price testing the 55-period EMA (USD 26,444). If we closed above and held above the average, it would warn that the USD 27,347 resistance could be tested and broken, if it was, then the probability of the futures trading to a new low would start to decrease. However, failure to close above the 55-period EMA would suggest caution, as it implied that market sellers were prepared to defend the average. The July futures traded up to but failed to trade above the average, resulting in the futures giving back this morning gains to close USD 325 lower on the day at USD 25,425. This means we are back on trend support. We could move lower on the open having rejected the average; however, be aware that USD 24,625 is now a triple bottom on the intraday, if it is broken, the RSI will be divergent, warning the move lower could struggle to hold. It's a bit messy now this technical, with the futures trading between the USD 24,625 low and USD 27,075 high for the last 10 trading days.

## Supramax

The index is another USD 80 lower at USD 13,840 today. Technically bearish this morning with bullish price action, we noted that the futures were not a buy as they were vulnerable to an intraday pullback due to the resistance. The technical was still in balance which is highlighted by a USD 75.00 move lower (since the morning report) to close the day USD 125 higher at USD 15,000. For more information on the technical, please click on the link. Supramax Technical Report 05/06/24 <https://fisapp.com/wp-content/uploads/2024/06/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-05-06-24.pdf>.

## Oil

Oil hovered near a four-month low as higher US inventories added to bearish sentiment, compounded by OPEC+'s plan to boost supply. West Texas Intermediate remained little changed below \$74 per barrel after the US Energy Information Administration reported that US crude stockpiles expanded by 1.23 million barrels. WTI has posted five straight days of losses, sitting in oversold territory after Sunday's OPEC+ meeting. "It's pretty surprising that crude is holding up given the size of the build," said Matt Sallee of Tortoise Capital Advisors LLC. "But crude prices have already dropped quite a bit in the last several days, so that's providing a little bit of a floor." (Bloomberg). The futures continue to find light bid support with price 70 cents higher at USD 78.22 going into the European close. However, as noted in the morning technical, we have seen a higher timeframe Elliott wave extension, and reiterate our view that the current (small) upside move looks like it will be countertrend. We dropped USD 8.26 on 24 intraday candles (4-hour) and have risen USD 1.50 on seven candles. The upside candles are 38.2% weaker than the downside candles (funny it is a Fibonacci number), implying buyside momentum is weak, warning this upside move could struggle to hold.

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