European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	25425	24875	-2.2%	Pmx 1 month forward	15700	15675	-0.2%
Cape Q3 24	25675	25350	-1.3%	Pmx Q3 24	15700	15600	-0.6%
Cape Cal 25	21125	21075	-0.2%	Pmx Cal 25	13525	13450	-0.6%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward				Brent			
Smx 1 month forward Smx Q3 24	Close	Close	0.5%	Brent WTI	Close	Close	Change

Iron ore

Source FIS/Bloomberg

Citi is tipping iron ore prices to plunge into a bear market in the coming months amid ongoing concerns about Chinese steel demand and an increase in supply of Australia's key export. Iron ore traded in the spot market has plummeted 13 per cent to \$US107 a tonne in the past fortnight, and Citi is now expecting prices to sink a further 12 per cent from current levels to \$US95 a tonne. That implies a 20 per cent decline from its cyclical peak above \$US120 a tonne, meeting the technical definition of a bear market. Iron ore prices had remained elevated thanks to a raft of property measures announced by Beijing over the past month, and expectations of further policy support ahead of a meeting of the Chinese Communist Party's central committee, known as a "plenum", in July. But commodity strategists have argued that while the measures should support a rebound in construction activity from current lows, it will do little to stimulate new projects, which are the real drivers of steel and iron ore demand (Bloomberg). The July futures found bid support in the Asian day session on the back of the positive divergence highlighted yesterday. The futures continued to move higher this afternoon with price trading between the EMA resistance band at USD 110.80. Technically we remain bearish and maintain our view that upside moves look like they will be countertrend at this point.

Copper

Technically bearish in the morning report, the futures were moving higher on the back of the 1-hour divergence highlighted alongside a 5-wave pattern lower, warning that resistance levels could be tested and broken. having opened with bid support the futures did sell lower with price testing the but holding above the intraday 200-period MA. However, we have now breached the USD 10,109 resistance, indicating the probability of the futures trading to a new low has started to decrease. We remain cautious on downside moves at this point.

Capesize

A slowdown in the index today with price only USD 265 higher at USD 24,689. Technically bearish in the July futures this morning, price action was neutral. Having closed on trend support last night, we opened with bid support resulting in price trading above but failing to hold above the 55-period EMA (USD 26,393). Post index the futures moved lower to close down USD 550 on the day at USD 24,875, meaning we are now below the trend support line. It is a weak close, but we remain in consolidation with the triple bottom support at USD 24,625, if we break this level, the technical will get interesting. A break in support is going to have to be significant and strong, as the intraday futures will be in divergence with the RSI. Not a buy signal, the divergence warns we could see a momentum slowdown. If the divergence fails, then the USD 21,675 – 21,250 fractal support levels could come under pressure, meaning the spread report I am about to post is wrong. However, if the divergence holds, market shorts will need to cover, suggesting we will see some form of Wyckoff spring, which could result in bullish impetus. Capesize Spread Report 06/06/24 https://fisapp.com/wp-content/uploads/2024/06/FIS-FREIGHT-CAPESIZE-SPREAD-REPORT-06-06-24.pdf

Panamax



Having turned yesterday the index is USD 266 higher at USD 14,247. We noted in the morning report that the July futures had formed a triangle pattern with a rising trend line. In theory, this is a bullish pattern that should form in a rising trend. Our technical is bearish, making the pattern less predictable. Having rejected the 55-period EMA on the open, the futures have closed just below trend support (USD 25 lower at USD 15,675, support at USD 15,732). If the break holds, then the USD 15,875 double bottom could come under pressure; My worry, is the move lower will be into the daily support zone, making me cautious, as a move lower could struggle to hold. The bear argument I guess is that the support zone is potentially about to be tested for a seventh time. Be aware that we have daily trend support at 14,981.

Supramax

The index is now slowing down with price only USD 31 lower at USD 13,809, I am not going to dwell too long on the July technical today. We broke key resistance on the open, meaning that the probability of the futures trading to a new low has started to decrease. However, we have produced an intraday rejection with price trading back below the 55-period EMA (USD 15,142), meaning I maintain a neutral bias. The futures have closed the day USD 75.00 higher at USD 15,075.

Oil

Oil gained for a second session as Saudi Arabia's energy minister warned that OPEC+'s planned production changes can be reversed. West Texas Intermediate rose to trade above \$75 a barrel, rebounding from the four-month lows it hit earlier in the week after OPEC+ decided to start adding some supply to the market in October. Ministers have since rejected the market's bearish reaction to the decision, reiterating that the group retains the option to pause or reverse the production changes if necessary (Bloomberg). Oil caught a bid this afternoon with price trading USD 1.61 higher at USD 80.02. Its hard to be short a market whilst OPEC play psychological games. If they do not intervene, then this upside move should in theory be counter-trend. However, if they continue to talk it up, then my wave analysis could fail.

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