

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24625	23325	-5.3%	Pmx 1 month forward	15500	15375	-0.8%
Cape Q3 24	25000	24075	-3.7%	Pmx Q3 24	15575	15525	-0.3%
Cape Cal 25	20975	20925	-0.2%	Pmx Cal 25	13450	13350	-0.7%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15075	14925	-1.0%	Brent	79.47	81.39	2.4%
Smx Q3 24	15150	15075	-0.5%	WTI	75.38	77.4	2.7%
Smx Cal 25	12950	12875	-0.6%	Iron ore	108	105.4	-2.4%

Source FIS/Bloomberg

Iron Ore

Iron ore prices fell — following a back-to-back weekly loss — in thin trading as Chinese markets were closed for a holiday. The steelmaking ingredient dropped as much as 2.6%, after two days of gains that saw it rebound from an eight-week low. A jump in Chinese steel exports in May helped spur the gains on Friday. The shipments rose to 9.63 million tons, signaling a potential increase in demand amid a slowdown in domestic consumption. Iron ore still fell 5.9% last week, however, Iron ore dropped 2.4% to \$106.10 a ton as of 10:04 a.m. in Singapore. In base metals, copper added 0.1% to \$9,772.50 a ton on the London Metal Exchange. Aluminum declined 0.4%, while nickel rose 0.4% (Bloomberg). As noted in the morning report, the July futures had traded to a new low with price in divergence with the RSI, warning we had the potential to see a momentum slowdown. We have seen a small move higher in the Asian evening session with price closing USD 1.55 higher at USD 107.75. We maintain a cautious view on downside moves due to the divergence in play, if the USD 104.75 support is broken, then the probability of the futures trading to a new high will start to decrease.

Copper

Copper edged higher in London, bolstered by rising expectations that heavy losses over the past three weeks could tempt some buyers to make an opportunistic return to the market. Prices rose as much as 1.2% to \$9,882 a ton, steadying after a steep decline on Friday as a strong US jobs report cast further doubt on the timing and extent of Federal Reserve interest-rate cuts. Trading volumes were thin on Monday, with Chinese markets closed for a public holiday (Bloomberg). Technically bearish this morning with the RSI testing support, indicating we had a minor positive divergence in play. The futures have held above trend support (for now) with price trading USD 55 higher at USD 9,817.5 going into the EU close. As noted this morning, if we hold trend support (USD 9,776), then market sellers will need to be cautious; likewise, a close below that holds below it will warn we could be seeing an Elliott wave extension to the downside, meaning the USD 9,567 Fibonacci projection level could come under pressure. With support and the divergence still in play, we remain cautious on downside moves at this point.

Capesize

The index turned today with price USD 108 lower at USD 24,759. The July futures held the USD 24,625 level going into the close on Friday; however, we came under selling pressure on the open, resulting in the futures closing USD 1,250 lower at USD 23,375. Technically, the daily chart is warning that the USD 21,675 – USD 21,250 fractal support zone is starting to look vulnerable. The caveat is the intraday futures are in divergence going into the close, as the RSI is on support. For downside continuation, that divergence will need to fail, until it does, we have a note of caution. For more information on the technical, please click on the link. Capesize Technical Report 10/06/24 <https://fisapp.com/wp-content/uploads/2024/06/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-10-06-24.pdf>

Panamax

The index is another USD 167 higher at USD 14,583. We have seen mixed price action in the July futures today, having initially traded to a low of USD 15,125 on the back of the trend break, the futures found light bid support post index to trade to a high of USD 15,600; however, going into the close we have seen bids fade, with price USD 125 lower at USD 15,375, meaning we are at the same level as the morning technical. We maintain our view that the USD 14,875 fractal low continues to look vulnerable, but we remain cautious on downside moves due to price being in the daily support zone whilst the daily 200-period MA is at USD 14,717. A cautious bear, as downside moves could struggle to hold.

Supramax

The index is now starting to turn with price USD 37 higher at USD 13,826, it is worth noting that we have the 200-period MA support at USD 13,712. Not much to say on the July futures once again, as we are trading USD 75 lower than this morning at USD 14,925. We remain neutral on price with the probability of the futures trading to a new low starting to decrease. However, for upside continuation we need to close above and hold above the 55-period EMA (USD 15,111), and trade above the USD 15,300 level.

Oil

Oil topped \$76 a barrel, extending a recovery after last week's sell-off. West Texas Intermediate crude rose with broader markets. News of additional sanctions on Iran's shipping sector also supported prices, which last week slumped to a four-month low after OPEC and its allies left the door open to restoring some output later this year. Officials have since clarified that they could pause or reverse production changes if necessary. Investors are now awaiting monthly oil reports from the US government, International Energy Agency, and OPEC+ due Tuesday and Wednesday, that will shed light on the outlook for the rest of the year. The Fed also releases its decision on interest rates mid-week (Bloomberg). Having previously closed below the intraday trend support, we are seeing bid support in the afternoon session, meaning price is trading back above the trend line. The futures are USD 1.83 higher at USD 81.45, meaning this technical is starting to feel uncomfortable. I have this upside move as countertrend, making USD 82.21 the key resistance to follow. If we trade above this level, then the probability of the futures trading to a new low will start to decrease, warning my intraday Elliott wave cycle could fail.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com