

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	22575	25125	11.3%	Pmx 1 month forward	16000	15925	-0.5%
Cape Q3 24	23525	24875	5.7%	Pmx Q3 24	15750	15750	0.0%
Cape Cal 25	20725	20950	1.1%	Pmx Cal 25	13375	13425	0.4%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15250	15500	1.6%	Brent	82.23	82.61	0.5%
Smx Q3 24	15300	15450	1.0%	WTI	78.18	78.58	0.5%
Smx Cal 25	12925	12950	0.2%	Iron ore	104.2	104.55	0.3%

## Iron Ore

Source FIS/Bloomberg

Iron ore climbed for the first time in three days, rising from the lowest level since April, buoyed by cautious optimism over signs of recovery in China’s property market. The country’s daily transaction volume in new homes increased more than 60% between June 8-10 from the May Day holiday, and further improvement is expected this month, as a wave of property-boosting measures go into effect in major cities, the Securities Times reported. This boosted investors’ hopes that the property market may be starting to recover from its protracted crisis, which has dampened the pace of construction and weighed on iron ore prices for months (Bloomberg). The July futures have risen nearly USD 1.00 since this morning on the back of the positive divergence with the RSI, to close at USD 105.70. Technically we remain bearish but maintain a cautious view on downside moves at these levels.

## Copper

Gold and copper advanced after a key US report showing inflation is cooling reinforced bets that the Federal Reserve will be able to start cutting interest rates soon. The so-called core consumer price index — which excludes food and energy costs — climbed 0.2% from April, Bureau of Labor Statistics figures showed. The year-over-year measure rose 3.4%, cooling to the slowest pace in more than three years, according to data out Wednesday (Bloomberg). The futures moved higher on the CPI figures, but price is currently struggling to hold the highs. However, we are trading USD 146 higher at USD 9,905 with the futures above the trend support line. Like this morning, we remain cautious on downside moves due to the trend support and the divergence that is in play. If we close on the daily candle above USD 9,941 (the high of the current low candle) it will warn that buy-side pressure is increasing.

## Capesize

The index is already showing signs that it is slowing with price only USD 481 lower today at 22,608. July futures – we noted this morning that the Divergence failure warned that upside moves had the potential to be countertrend; however, the bullish rejection candle yesterday had been followed by a higher high and high low on today’s candle, if we maintained these levels it would warn we could move higher again tomorrow. The futures have moved another USD 1,150 higher since the morning report, with price trading up USD 2,425 on the day at USD 25,000. If we close the day above USD 24,750, it will be above the high of the last dominant bear candle (daily chart), suggesting we will continue to move higher in the coming days.

## Panamax

Another strong index today with price USD 515 higher at USD 15,444. It has all been a bit flat in the July futures today with price USD 100 lower at USD 15,900. However, the daily close above the support zone yesterday indicates that we are seeing buy-side support in the market, warning that futures are potentially about to see another move higher. If we trade above the intraday fractal resistance (USD 16,150 which we tested on the open), then the probability of the USD 16,211 and USD 16,900 resistance levels being tested and broken will start to decrease.

## Supramax

The upside move is starting to gain pace with the index USD 281 higher at USD 14,263. The July futures are USD 250 higher today at USD 15,500, meaning price has held above the 55-period EMA (USD 15,141) and closed the day above the 200-period MA (USD 15,444). If we hold on the open tomorrow, then the USD 15,700 fractal high will be tested and broken, taking the technical back into bullish territory. Likewise, if we close back below the 200-period average, then market sellers will target the 55-period average again.

## Oil

Crude production posted the first weekly increase since March, rising to 13.2 million barrels a day last week. The EIA published its Short-Term Energy Outlook yesterday, and the increase in the weekly data may reflect a rebalancing against updated monthly numbers (Bloomberg). We had a small sell-off from our highs on the EIA and CPI figures, meaning price is below trend support. However, we are still USD .43 higher at USD 82.35 going into the close. Price is above the weekly 200-period average (USD 80.22) with the high of last week's candle at USD 81.65, this is our key level for the rest of the week. If we close above this level, then we have bullish price action on the higher timeframe, suggesting the USD 85.02 fractal high on the intraday could come under pressure.

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