

# FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	25125	25400	1.1%	Pmx 1 month forward	15925	16075	0.9%
Cape Q3 24	24875	24875	0.0%	Pmx Q3 24	15750	15975	1.4%
Cape Cal 25	20950	20900	-0.2%	Pmx Cal 25	13425	13375	-0.4%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15500	15525	0.2%	Brent	82.52	82.76	0.3%
Smx Q3 24	15450	15450	0.0%	WTI	78.32	78.63	0.4%
Smx Cal 25	12950	12950	0.0%	Iron ore	104.55	106.85	2.2%

## Iron Ore

Source FIS/Bloomberg

Iron ore extended its advance from the lowest level since April on sustained momentum in China’s efforts to ease its property crisis and as one of the world’s biggest miners said demand from the country remains strong. The People’s Bank of China held a meeting Wednesday to promote its relending policies for affordable housing, encouraging state-owned companies to buy unsold homes. The central bank unveiled last month a nationwide program of 300 billion yuan (\$41 billion) in funding to help local governments buy excess inventory from developers (Bloomberg). The July futures continue to move higher on the back of the positive divergence with the RSI and the 5-wave pattern lower. The move below USD 104.75 is warning that the probability of the futures trading to a new high within this phase of the cycle has started to decrease, warning that could be a larger bearish cycle in play. The futures have closed the day USD 0.75 higher at USD 107.15, with price now in the EMA resistance band.

## Copper

The futures had a bullish close yesterday but opened and sold lower on in the Asian day session. We have spent the European session trading along the trend support line, where we remain going into the close. We continue to maintain a cautious view on downside moves as a new low will signal that there is another positive divergence coming into play.

## Capesize

As expected, the index turned today with price USD 2,144 higher at USD 24,752. It really has been a game of two halves in the July futures. Having produced a bullish close above USD 24,750 last night, the futures traded to a high of USD 26,250, meaning the probability of the futures trading to a new low has started to decrease. Post index, bids eased, followed by a bit of selling pressure late on to trade down to USD 24,625 (the old support), before finding bid support on the close to finish USD 250 higher on the day at USD 25,375. What do we make of that? Well, a small-bodied candle held support on the 11/06, followed by a big upside day yesterday with a bullish close above the high of the last dominant bear candle. A move up to 26,250 this morning, meant we had moved USD 4,250 higher in just over two days. A correction, and some upside rejection yes, but the bull close and break in resistance this morning would suggest we could see buying support if we move lower again (as illustrated by the USD 24,625 level holding). I am going to keep my bullish hat on tonight, the market needed to breath having moved 19.32% higher. Based on the technical, I maintain my view that there looks like there could be further upside in the coming days.

## Panamax

Another big move in the index today with price USD 500 higher at USD 15,944. Considering the strength of the index, the upside move in the July futures is a bit laboured; however, we traded above USD 16,150 this morning and closed at this level tonight (Up USD 225 on the day). The probability of the futures trading to a new high has started to decrease, whilst the USD 16,150 break is above a lower timeframe fractal, suggesting resistance levels are vulnerable.

## Supramax

Not as strong as yesterday, the index is another USD 183 higher at USD 14,446. The July futures opened with support with price trading above the USD 15,700 resistance, meaning the technical is now bullish; however, post index, like the test of the freight complex bids have eased resulting in a daily rejection candle. Intraday momentum is supported with price still above the 200-period MA, whilst the MA on the RSI on the daily chart is also turning higher, suggesting support levels should in theory hold if tested.

## Oil

OPEC's top official once again criticized forecasts of a looming peak in oil consumption, pushing back against a report this week from the International Energy Agency. The IEA report — which predicts that oil demand will plateau this decade and leave a “major” surplus — is a “dangerous commentary, especially for consumers, and will only lead to energy volatility on a potentially unprecedented scale,” OPEC Secretary-General Haitham Al-Ghais said in an article on the group's website (Bloomberg). The futures have moved sideways for the session with price USD 4 cents higher than the morning report. Downside moves that hold above the USD 79.00 will support a bullish argument, but we still highlight USD 81.65 as the key level to follow, as the weekly candle will need to close above this level to signal higher timeframe support.

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

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association (“NFA”). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)