

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	25500	26675	4.6%	Pmx 1 month forward	15225	15075	-1.0%
Cape Q3 24	26417	27550	4.3%	Pmx Q3 24	15225	15150	-0.5%
Cape Cal 25	21875	22125	1.1%	Pmx Cal 25	13450	13500	0.4%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15175	15175	0.0%	Brent	86.4	86.2	-0.2%
Smx Q3 24	15150	15125	-0.2%	WTI	81.46	82.78	1.6%
Smx Cal 25	12975	12975	0.0%	Iron ore	106.75	109.8	2.9%

Iron Ore

Source FIS/Bloomberg

Iron ore kicked off the new quarter on a positive note amid tentative signs of recovery in China's steel-intensive property market, and speculation that Beijing could do more to support the sector. Futures rose above \$108 a ton in Singapore after re-treating by more than 7% last month. On the London Metal Exchange, meanwhile, copper fell, aluminum was little changed, and tin ticked higher (Bloomberg). The upside move in the July futures means that we are now in bullish territory. However, as noted this morning, the futures were testing the 200-period MA at USD 110.08 (now USD 109.94) and needed to produce bullish price action above the average to avoid a technical pullback. Limited price action this afternoon means the futures remain just below the average.

Copper

Copper rose after a jump in withdrawals from London Metal Exchange warehouses in Gwangyang, South Korea. Data published by the LME on Monday showed 8,000 tons of cathode warrants were canceled, causing copper prices to erase previous losses. The orders come after stockpiles in China have also started to fall, with market participants trying to gauge whether a meaningful demand recovery in the country is underway after a tepid first half of the year (Bloomberg). Unchanged this morning, we were bearish with price rejecting the EMA resistance band; however, the MA on the RSI implied momentum was supported. We remained cautious on downside moves as the futures had previously moved higher on the back of a positive divergence with the RSI. The futures have seen a small move higher with price trading in the EMA resistance band going into the close, we remain cautious on downside moves at this point.

Capesize

A strong index today with price USD 2,881 higher at USD 31,438, meaning the RSI has now moved above 64. Historically, on many occasions, this has signaled upside continuation in the index. On Friday we noted that the futures had closed above the 25,175 level and the 55-period EMA, meaning that despite the distortion by the roll, the close itself was positive. The August futures opened with bid support and closed the day USD 1,175 higher at USD 26,675. Just an observation, but the index is at USD 31,438 with the RSI at 68 (above 64). If we hold above 64 and the index goes on a run, then the August futures is potentially looking undervalued. For more information on the technical, please click on the link. Capesize Technical Report 01/07/24 <https://fisapp.com/wp-content/uploads/2024/07/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-01-07-24.pdf>

Panamax

The downside move in the index is now slowing with price only USD 52 lower at USD 13,619. The August futures opened with bid support to trade to a high of USD 15,400; however, post index we have seen bids ease to close the day USD 150 lower at USD 15,075. The MA on the RSI is implying that we have momentum support, whilst the RSI high suggests that intraday downside moves should be considered as countertrend. This is conflicting with the daily candle that is showing a small upside rejection candle, warning we could move lower tomorrow. We are still above the daily 200-period MA (USD 14,831) with momentum support, meaning we maintain our view that resistance levels are still vulnerable despite the upside rejection candle. The slowing index does support this at this point.

Supramax

The index is another USD 173 lower today at USD 15,064. Like the rest of the freight complex, we opened the day in the August futures with bid support to trade to a high of USD 15,325. However, post index we have sold a little lower to close unchanged on the day at USD 15,175. Technically, the upside move this morning above USD 15,279 means that the futures are now in bullish territory, whilst the MA on the RSI is implying momentum is supported. We now need to see an index slowdown if the futures are going to continue to move higher, otherwise upside moves will be limited from here.

Oil

The futures gapped lower on the Roll into September this morning; however, we have held above key support (USD 83.78) with the futures trading higher during the session. As noted this morning, we have a potential upside target of USD 90.33 but have a note of caution on upside moves due to the divergence that is in play. We have closed the bearish gap created by the roll this morning, meaning we are at an inflection point. Historically, markets do not like gaps (open windows), if we hold around the USD 86.40 level going into the close, then the USD 87.22 fractal high could be tested and broken, failure to do so will warn that having closed the window, the futures could enter a more sustained corrective phase.

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