

# 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	26675	24950	-6.5%	Pmx 1 month forward	15075	14550	-3.5%
Cape Q3 24	27550	26100	-5.3%	Pmx Q3 24	15150	14700	-3.0%
Cape Cal 25	22125	21775	-1.6%	Pmx Cal 25	13500	13350	-1.1%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15175	14600	-3.8%	Brent	86.64	86.75	0.1%
Smx Q3 24	15125	14787.5	-2.2%	WTI	83.38	83.39	0.0%
Smx Cal 25	12975	12925	-0.4%	Iron ore	109.8	110	0.2%

## Iron Ore

Source FIS/Bloomberg

Iron ore held near the highest close in about a month as investors weighed the outlook for demand, and whether China would take further steps to revive confidence in the steel-intensive property sector. The commodity steadied just below \$110 a ton after rallying almost 3% on Monday. One of China’s biggest annual policy meetings, the Third Plenum, will be held in mid-July, offering officials scope to introduce additional measures to support its real estate industry, such as scaling up a home-buying scheme (Bloomberg). The August futures continue to hold above the intraday 200-period MA (USD 109.54). However, we have seen little price movement again in the evening session with price selling 30 cents lower to trade at USD 109.80 on the close. For upside continuation, the futures will need to hold above the average to avoid an intraday technical pullback.

## Copper

Copper rose for a third day, extending its rebound from a two-month low, as investors weighed possible stimulus measures in China and interest-rate cuts in the US. Federal Reserve Chair Jerome Powell on Tuesday said the latest economic data suggest inflation is getting back on a downward path. Still, he cautioned that officials would like to see more evidence before lowering borrowing costs and declined to give any specific guidance on the timeline for cuts (Bloomberg). We noted in the morning report that although bearish the EMA band was starting to flatten, warning we could potentially be about to exit the bearish trending environment. We also highlighted that the daily close above the weekly pivot level yesterday suggested that buyside pressure was increasing. The futures have traded to a high of USD 9,749.5, meaning we are yet to trade above key resistance (USD 9,751), if we do, then the probability of the futures trading to a new low will start to decrease. Going into the close we are USD 90.50 higher on the day at USD 9,270.5, with the MA on the RSI continuing to suggest that momentum is supported, meaning resistance levels remain vulnerable.

## Capesize

After yesterday’s big move we have seen a slowdown in the index today with price only USD 810 higher at USD 32,248. A messy day in the August contract today with price trading USD 1,675 lower at USD 24,950. We noted in the morning report that the last dominant bull candle had a Hi/Lo of USD 26,825 – USD 25,175, with a close outside of this range likely to determine near-term directional bias. The futures have continued to sell lower for the remainder of the session with price looking like it will close below the USD 25,175 level, if we do then the USD 23,875 fractal support will be vulnerable. Near-term price action is bearish; however, the index RSI is above 64 with price trading within the USD 24,625 – USD 27,075 range. 82.5% of the last 85 days have been spent trading within this zone; if the Index RSI stays above 64, then the futures could struggle to hold a breakout below USD 24,625. A bear day today is warning we will move lower tomorrow, just be aware that the 200-period weekly RSI is at USD 22,079 whilst the daily is at USD 21,870, as this will be an area of interest to longer-term market buyers.

## Panamax

Having seen a slowdown yesterday, the index is another USD 196 lower today at USD 13,423. The August futures sold lower on the open with price breaching the USD 14,558 support, warning that the USD 14,125 fractal low is now vulnerable. The upside rejection is now looking like it could be an intraday Elliott wave 5 lower, meaning we have a potential downside target at USD 14,030. However, as previously noted, this will create a positive divergence with the RSI, implying caution on downside breakouts. For more information on the technical, please click on the link. Panamax Technical Report 02/02/24 <https://fisapp.com/wp-content/uploads/2024/07/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-02-07-24.pdf>

## Supramax

We continue to see the index come under pressure with price USD 202 lower at USD 14,862 today. Technically bearish in the August contract this morning, we had a minor divergence in play warning we could see a momentum slowdown; however, we noted that the RSI was testing support, if we closed below it, then it would warn that there could be further downside within the technical. We have closed the day USD 575 lower at USD 14,600, meaning the USD 14,661 support has been broken, suggesting we could be looking at some form of larger bearish Elliott wave cycle (or an extension within the existing trend), as the divergence also looks like it is in the process of failing.

## Oil

Oil touched a two-month high as tensions escalate in the Middle East and the Atlantic hurricane season gets off to a rapid start. West Texas Intermediate climbed as much as 1.2% to top \$84 a barrel and reach highest intraday price since April 26 before paring gains and trading little changed. That followed an advance of more than 2% on Monday that broke crude out of its recent trading range. Israel's military said 18 soldiers were injured, one of them seriously, in a drone attack by Iran-backed Hezbollah, threatening to widen the conflict. Israel also is continuing its siege on Gaza, ordering Palestinians to leave the city of Khan Younis ahead of a potential attack (Bloomberg). The futures have traded to a high of USD 87.46 today; however, this has created another divergence with the RSI, resulting in the futures trading 4 cents lower on the day at USD 86.56. We remain cautious on upside moves due to the multiple divergences in play.

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

[EdwardH@freightinvestor.com](mailto: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](https://freightinvestorservices.com)