

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	26075	25150	-3.5%	Pmx 1 month forward	14325	14200	-0.9%
Cape Q3 24	26875	26312.5	-2.1%	Pmx Q3 24	14400	14175	-1.6%
Cape Cal 25	21900	21800	-0.5%	Pmx Cal 25	13450	13400	-0.4%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14875	14775	-0.7%	Brent	87.07	87.55	0.6%
Smx Q3 24	14775	14800	0.2%	WTI	#N/A	N/A	#VALUE!
Smx Cal 25	12925	12925	0.0%	Iron ore	113.45	113.95	0.4%

## Iron ore

Source FIS/Bloomberg

Iron ore touched its highest in nearly a month as traders bet on a modest improvement for China's steel market. Futures in Singapore rose the previous four trading days and are up more than 6% this week due a tick-up in demand and hopes for a stimulus boost at a major Chinese political gathering — known as the Third Plenum. The steelmaking ingredient is now solidly above \$110 a ton after trading below that threshold for most of June (Bloomberg). As noted this morning, we are bullish with downside moves looking like they will be countertrend; however, with price consolidating it signaled that buy-side momentum was slowing a little, warning we could see a technical pullback. The July futures are a little lower in the Asian evening session with price trading USD .58 lower at USD 113.10 going into the close.

## Copper

Copper fluctuated between losses and small gains following four days of advances that were triggered by optimism about the prospects for US interest rate cuts. The industrial metal edged 0.2% higher by 11:44 a.m. in London, erasing an earlier decline of as much as 0.7%. Federal Reserve Chair Jerome Powell said earlier this week that inflation is returning to a downward path, spurring market confidence about monetary easing. Labor data released on Wednesday indicated that the nation's job market is slowing. Looser monetary policy may bolster the broader economy and demand for industrial metals such as copper (Bloomberg). No real movement in copper today with price continuing to test its highs. We do have a minor divergence in play, suggesting that we could be vulnerable to a technical pullback soon. However, with the recent move higher being greater than 161.8% than that of the previous move (bullish impulse), we maintain our view that downside moves should be considered as countertrend at this point.

## Capesize

The index has seen a slowdown today with price only USD 777 lower, at USD 28,911. The August futures entered bullish territory yesterday; however, with price closing below USD 25,125 the previous day, we noted that a close above USD 27,000 was now needed to signal buy-side pressure was increasing. We had a more neutral view this morning, as the EMA's were flat, indicating a lack of directional bias, the RSI was neutral at 49, whilst price is back in the consolidation zone. Having sold lower on the open, we have seen another dip this afternoon to close the day USD 925 lower at USD 25,150. Price action is still pretty neutral, and we still have a note of caution on downside moves due to trend support, alongside the daily and weekly 200-period EMA's. Sread report today - Capesize Spread Report 04/07/24 <https://fisapp.com/wp-content/uploads/2024/07/FIS-FREIGHT-CAPESIZE-SPREAD-REPORT-04-07-24.pdf>

## Panamax

The index is in a bit of a freefall here with price accelerating over the last couple of days. We are USD 349 lower at USD 12,774 today. Sideways action in the August contract today with the futures closing USD 125 lower at USD 14,200. We remain bearish; however, we are in divergence with the RSI, meaning the futures are not considered a technical sell at these levels.

## Supramax

A big slowdown today with the index only USD 34 lower at USD 14,711. However, the August futures have not really moved with price closing the day USD 100 lower at USD 14,775. Neutral this morning, this has not changed during the session. The technical is bearish, but the lower timeframe Elliott wave cycle is unclear whilst we have the 200-period daily MA at USD 14,286, suggesting caution on downside moves whilst above this level.

## Oil

Brent Crude Oil Technical Analysis - So over in the Brent market, we have the same situation where we are buying pullbacks, and we are likely to continue to go higher. All things being equal, this is a market that given enough time, we'll continue to see buyers going forward. And I do think \$90 is on the menu. With that being said, the market continues to see a lot of noise and I think the \$85 level underneath is a pretty significant floor, assuming that we even get down there. Crude oil demand picks up during the summer and of course we have plenty of geopolitical issues out there that could drive Brent higher as well. I think the jobs number probably causes some noise, but any weakness is something that I'll be buying into (Bloomberg). FIS Technical analysis – We are bullish and have the potential to trade as high as USD 90.33 within this phase of the cycle. However, the futures are in divergence, warning we could see a momentum slowdown on the intraday, meaning we maintain a cautious view on upside moves. Price is USD .27 higher at USD 87.55 going into the close.

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

EdwardH@freightinvestor.com