

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24825	24750	-0.3%	Pmx 1 month forward	14300	14700	2.8%
Cape Q3 24	25775	25825	0.2%	Pmx Q3 24	14250	14525	1.9%
Cape Cal 25	21875	22000	0.6%	Pmx Cal 25	13450	13525	0.6%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14650	15000	2.4%	Brent	85.69	84.63	-1.2%
Smx Q3 24	14700	14900	1.4%	WTI	82.22	81.35	-1.1%
Smx Cal 25	12925	12950	0.2%	Iron ore	108.75	109.45	0.6%

Iron Ore

Source FIS/Bloomberg

Technically bearish in the August futures this morning, we noted that the rejection of the USD 115.78 resistance followed by the move below the USD 107.73 support suggested that the futures could come under further pressure. However, we had closed back above the 200-period MA USD 108.22, if we held above the average then the USD 111.65 resistance would be vulnerable; likewise, a close below the average would suggest we should continue to move lower. We noted that the depth off the pullback implied that upside moves should in theory be countertrend. We have sold USD 1.21 lower in the Asian evening session to close at USD 108.20, the 200-period MA is now at USD 108.09. Price is at an inflection point; however, it is weakening, warning that we could move lower again tomorrow.

Copper

Technically bullish this morning, we had a note of caution on upside moves, as the tweezers top at USD 10,000 had rejected the 200-period MA whilst price was in divergence. The futures have sold around USD 50.00 lower since the morning technical with price trading USD 25.50 lower on the day at USD 9,889.5 going into the close. The MA on the RSI is implying that momentum is weakening, warning support levels could come under pressure. We remain cautious on upside moves due to the divergence that is now in play.

Capesize

Having seen a slowdown yesterday, the index came in weaker than expected today with price USD 1,302 lower at USD 25,869. The August contract opened with bid support; but rejected the 55-period MA (USD 25,241) and the weekly pivot level (USD 25,208), resulting in the futures closing the day USD 100 lower at USD 24,725. A bullish rejection candle yesterday has been followed by an indecision candle today (Doji), meaning we have failed to close above the high of yesterday's candle at this point (USD 24,875). As noted in the morning report, the high of the last dominant bear candle is at USD 27,000, meaning we need to see a close on the daily chart above this level to signal buyside pressure is increasing. However, a close above USD 24,875 will be a good place to start, as it will be above the high of the most recent low candle.

Panamax

The index has turned positive today with price USD 41 higher at USD 12,484. As noted in the morning technical, the divergence on the August contract meant that the futures were not considered a technical sell, whilst the bullish rejection candle and bullish engulfing candle warned that resistance levels were starting to look vulnerable. The futures are USD 400 higher on the day at USD 14,700. For more information on the technical, please click on the link. Panamax Technical Report 09/07/24 <https://fisapp.com/wp-content/uploads/2024/07/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-09-07-24.pdf>

Supramax

Like the Panamax, the Supramax index had seen a slowdown in recent days resulting in price coming in USD 149 higher at USD 14,818. We had a neutral view on the August contract this morning as price had rejected the 55-period EMA on the open (USD 14,949); however, they were not considered a technical sell as price remained above the daily 200-period MA, whilst we were likely to be in divergence below USD 14,500. Countering this, we were yet to see bullish signals to suggest that they were a technical buy. Post index the futures have moved USD 350 higher to close the day at USD 15,000, meaning we are just above the 55-period EMA. On the daily chart, we have closed above the high of the low candle, if we can hold above the 55-period EMA on the open tomorrow, it will warn that the USD 15,044 and USD 15,325 resistance levels could be tested and broken.

Oil

Oil dropped in a session marked by wild price swings, with broader markets moving away from risk assets as traders dissect Federal Reserve Chair Jerome Powell's testimony to Congress. West Texas Intermediate fell as much as 1.2% as thin liquidity exacerbated price swings within a roughly \$1 range. Earlier, prices traded above \$82 a barrel after Powell said the labour market has "cooled considerably," but further comments that avoided sending signals about imminent rate cuts caused markets to give up previous gains. Adding to bearish sentiment, the oil hub of Houston made it through the worst of storm Beryl and reported progress on recovery efforts (Bloomberg). We noted in the morning report that the move below 85.65 meant that the probability of the futures trading to a new high had started to decrease. Whilst the move lower on the back of the divergence warned that support levels were vulnerable. The futures are trading USD 1.00 lower on the day, at USD 84.75 going into the close, below USD 84.47 the intraday technical will be bearish. We maintain a cautious view on upside moves, as support levels remain vulnerable.

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