

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	23375	22375	-4.3%	Pmx 1 month forward	15350	14850	-3.3%
Cape Q4 24	28000	27375	-2.2%	Pmx Q4 24	16000	15750	-1.6%
Cape Cal 25	22000	21850	-0.7%	Pmx Cal 25	13800	13700	-0.7%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15725	15400	-2.1%	Brent	81.5	82.3	1.0%
Smx Q4 24	15600	15325	-1.8%	WTI	77.5	78.24	1.0%
Smx Cal 25	13400	13425	0.2%	Iron ore	100.9	99.9	-1.0%

Iron Ore

Source FIS/Bloomberg

Technically bearish in the August futures this morning. We noted that the futures were in divergence with the RSI, implying caution on downside moves. We maintained our view that intraday Elliott wave analysis suggested that upside moves should be considered as countertrend, meaning the USD 95.40 fractal low remained vulnerable. The futures have moved USD 2.49 higher in the Asian evening session on the back of the divergence to close the day at USD 102.40. The upside move is still considered as countertrend; however, we could still move higher in the near-term, as the RSI is breaking resistance levels, suggesting there is further upside. If we trade above USD 106.42, then the probability of the futures trading to a new low will start to decrease.

Copper

Having been in divergence on the 1-hour chart for the last USD 400, the futures have broken there losing streak today. We traded to a low of USD 8,900 before finding bid support in the afternoon session, we have rallied USD 212 to close the day USD 18 higher at USD 9,122. Technically we remain bearish with upside moves considered as countertrend; however, we still need to move higher to confirm that this is the upside move we are looking for. The MA on the RSI is showing momentum support, warning we could still test the Fibonacci resistance zone in the near-term.

Capesize

Another bear day in the index today with price USD 883 lower at USD 22,363. The August futures continue to sell lower with price closing the day down USD 1,000 at USD 22,375, meaning we are now testing the 200-period MA (USD 22,179). Technically we are bearish; however, this is a benchmark average on the higher timeframe, whilst the intraday futures are looking oversold, based on a lower timeframe RSI. This is warning that we could be vulnerable to bid support either on the open, or if we come under pressure early on, the technical suggests that we could find buyers looking to extract value around the average. We are cautious on downside moves, as the technical is vulnerable to a move higher off the longer-term average. As of 19.10 BST, iron ore is USD 2.50 off its low, copper has rallied USD 212 off its low, Brent is USD 2.02 off its low, and U.S equities are rallying, suggesting global markets are in risk on mode. All of this is warning that we could move higher tomorrow.

Panamax

The index has slowed down today with price only USD 181 higher at USD 14,730. We rejected the intraday 200-period MA yesterday, resulting in the futures selling USD 500 lower to close at USD 14,850. We have closed the day just below the daily 200-period MA (USD 14,896), meaning the futures are at an inflection point. We also have key intraday support at USD 14,797. If we trade below this level on the open tomorrow, it will warn that we could see a larger corrective phase, suggesting upside moves could be countertrend in the very near-term.

Supramax

We noted in the technical yesterday that we had concerns about the trajectory of the current upside move. The index is higher, but like Panamax we have seen a slowdown, with price only USD 14 higher at USD 15,252. The futures sold USD 325 lower to close at USD 15,400 today. Technically we are still in bullish territory, if we hold above the USD 15,180 level on the open, then we should in theory continue to move higher. Likewise, if broken, we will likely see further downside within this corrective phase.

Oil

Oil prices rose as an equity market rally carried futures prices out of an earlier slump. West Texas Intermediate hovered near \$78 a barrel after earlier falling to the lowest since early June. Crude is tracking equities, which have risen on faith that the Federal Reserve will secure a soft landing for the US economy. "We have seen a rebound across asset crosses following the publication of US GDP and core durable goods orders, which surprised to the upside, while today's inflation indicators were weaker," said Fawad Razaqzada of City Index and Forex.com (Bloomberg). We were neutral in the Brent futures this morning; in theory upside moves should be considered as countertrend, as we should have one more test to the downside. However, the last time the futures tested the weekly 200-period MA (USD 81.48), the futures met CTA support, resulting in the bearish wave cycle failing. The futures traded to a low of USD 80.09 before finding strong bid support, resulting in the futures trading at USD 82.23 as of 19.30 BST. Upside moves that fail at or below USD 83.88 will leave the futures vulnerable to further tests to the downside. We should move lower; however, the average has held over ten times in the last 18 months, making it a very high-risk sell.

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