

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	23550	23375	-0.7%	Pmx 1 month forward	15200	15400	1.3%
Cape Q4 24	26500	26375	-0.5%	Pmx Q4 24	15450	15625	1.1%
Cape Cal 25	21625	21600	-0.1%	Pmx Cal 25	13550	13550	0.0%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15350	15525	1.1%	Brent	80.72	80.27	-0.6%
Smx Q4 24	15100	15300	1.3%	WTI	78.64	77.18	-1.9%
Smx Cal 25	13300	13300	0.0%	Iron ore	101.55	102.25	0.7%

Iron Ore

Source FIS/Bloomberg

The August futures traded above the USD 83.50 fractal high in the Asian day session, meaning the intraday technical is now bullish. We have seen a small technical pullback this afternoon with price selling USD 1.25 lower at USD 101.40, meaning price has rejected the weekly pivot point (USD 102.40). However, the MA on the RSI is implying that momentum is supported, whilst the new high on the RSI is suggesting that downside moves look like they could be countertrend, making USD 100.12 the key support to follow, if broken, then the probability of the futures trading to a new high will start to decrease. We remain cautious on downside moves based on the RSI and momentum support.

Copper

We noted in the morning technical that the intraday rejection candle that has formed within the EMA resistance band warned that we were vulnerable to a move lower today. Going into the close, the futures are USD 164.00 lower at USD 9,061, meaning key support at USD 9,071 has been broken. The depth of the pullback would suggest that the USD 8,900 fractal low is starting to look vulnerable, in line with our intraday Elliott wave cycle.

Capesize

The index continues to weaken with price USD 726 lower at USD 18,986. We noted in the morning report that the Sep futures were finding resistance at the old support zone (USD 23,575 – USD 23,625). A close above that held above the resistance area would support a buyer’s argument, whilst a rejection candle would warn that the USD 21,124 support could come under pressure. Due to the roll, the upside move in the futures had created indecision in the market, meaning we lacked directional bias. We are USD 175 lower on the day at USD 23,375, meaning we have not moved since this morning. We continue to lack directional bias.

Panamax

A small slowdown in the index today with price coming in USD 231 lower at USD 14,082. The Sep futures found bid support on the open with price trading to a high of USD 15,600 before bids faded late on. We close the day USD 200 higher at USD 15,400. We noted in the morning report that the move above USD 15,226 warned that the USD 15,700 fractal high was vulnerable; however, the futures are failing to hold above the intraday 200-period MA (USD 15,464), warning buy-side momentum is struggling to hold at this point.

Supramax

Another bearish day in the index with price USD 130 lower at USD 14,867. We noted in the morning technical that the Sep futures were seeing light momentum support, resulting in the futures closing USD 175 higher at USD 15,225. I want to say that the futures are above all key moving averages with momentum support, meaning we should move higher. However, we are at a resistance zone that has held 3 times since mid-June, suggesting caution on upside moves. The technical is neutral, supported but at resistance.

Oil

Oil pulled back after its biggest gain in more than nine months as signs of a slowing US economy countered concerns that the conflict in the Middle East may endanger supplies. West Texas Intermediate edged below \$78 a barrel after rallying 4.3% on Wednesday, the biggest daily gain since October. Data released Thursday showed US manufacturing activity shrank the most in eight months, stoking fears crude demand may weaken. Meanwhile, a report that Iran plans to retaliate against Israel for killing a Hamas leader on its soil is raising concerns the conflict may spiral into a broader war that embroils the US and Iran, possibly hampering crude exports (Bloomberg). The future broke key resistance on the upside move on the open, meaning the probability of the futures trading to a new low had started to decrease. However, we noted that the technical was at an inflection point on the higher timeframe, as price was testing the weekly 200 – period MA (USD 81.69), a rejection of the average would warn that support levels could come under pressure. Likewise, a close above it tomorrow would warn that there was an underlying support in the market, meaning we could see financials entering from the buyside. I would not say that market bulls have seen their hopes and dreams shattered just yet, but we have sold around USD 1.25 lower since this morning with the futures trading at USD 80.20 going into the close. The futures need to hold the USD 80.12 – USD 79.58 support zone, whilst the RSI must hold its MA support, otherwise this technical will be back in bearish territory.

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