

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	23375	24500	4.8%	Pmx 1 month forward	15400	15325	-0.5%
Cape Q4 24	26375	26550	0.7%	Pmx Q4 24	15625	15600	-0.2%
Cape Cal 25	21600	21700	0.5%	Pmx Cal 25	13550	13575	0.2%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15525	15475	-0.3%	Brent	80.04	76.77	-4.1%
Smx Q4 24	15300	15325	0.2%	WTI	76.93	73.36	-4.6%
Smx Cal 25	13300	13250	-0.4%	Iron ore	102.25	103.35	1.1%

Iron Ore

Source FIS/Bloomberg

Technically bullish this morning, the futures had momentum support but were testing a resistance zone that formed in July, we also had a negative divergence with the stochastic. This warned that upside moves could be limited, as the futures were vulnerable to a technical pullback. We have seen little movement in the futures with price dropping USD 1.00 to close the weak at USD 102.90. Momentum remains supported but price is rejecting resistance, meaning the RSI is going to need to hold above its MA to avoid a deeper technical pullback.

Copper

Copper rose after the US reported weak jobs data for July that may prompt the Federal Reserve to move more quickly with monetary easing. Prices climbed about 0.6% in a mixed session on the London Metal Exchange while the US dollar slumped after the employment report missed analyst estimates. A lower dollar boosts purchasing power for commodities buyers using other currencies. There was a jittery mood across broader markets, with global stock markets tumbling as investors worry that the Fed has been too slow to cut rates. Earlier this week, Chair Jerome Powell flagged that the central bank may pivot to easing next month provided inflation continues to abate. However, investors are increasingly concerned the US economy is heading for a hard landing (Bloomberg). The downside move below USD 9,071 had warned that the USD 8,900 fractal low would come under pressure. The futures initially found light bid support off the daily 200-period MA; however, the upside move has rejected the intraday resistance band, meaning we are closing flat on the day at USD 9,050. We maintain our view that the USD 8,900 fractal low is vulnerable at this point.

Capesize

The index turned today with price USD 313 higher at USD 19,299. We were bearish with a neutral bias in the August futures this morning, the probability of the futures trading to a new low had started to decrease. The MA on the RSI indicated that momentum was supported, with price back above the USD 23,575 – USD 23,625 support, warning the USD 25,175 fractal high could be tested and broken. If it was, the technical would be bullish. In theory, the USD 23,575 – USD 23,625 area should now act as a support zone. The futures have seen a small pullback with price closing USD 625 higher at USD 24,000. We remain above the support area meaning resistance levels are still vulnerable.

Panamax

We are seeing a slowdown in the index with price only USD 73 lower at USD 14,009. The Augusts futures are unchanged from this morning with price USD 75 lower at USD 15,325. We highlighted that we had momentum support but price was failing to hold above the 200-period MA, implying buy-side momentum was slowing. The technical was bullish, but the conflicting signals meant that we were cautious on moves higher, as they could struggle to hold. With price not moving, our view is unchanged.

Supramax

The index is another USD 100 lower today at USD 14,767. The August futures were above all key moving average supported by the RSI above 50, whilst the MA on the RSI indicated that momentum was supported, suggesting that the USD 15,725 fractal resistance was vulnerable. However, we continue to struggle to move higher due to the resistance zone (highlighted). We remain cautious on upside moves at these levels. A very quiet day with little price movement means the technical remains unchanged.

Carbon

EUA Dec 24 (4-hour) 02/08/24 <https://fisapp.com/wp-content/uploads/2024/08/FIS-EUA-Technical-02-08-24.pdf>

Oil

Oil fell to the lowest in almost six months as concerns about demand in the world's two biggest economies overshadowed heightened geopolitical risk. Brent crude slid as much as 3.6% to dip below \$77 a barrel and reach the lowest intraday price since early February. Sentiment in the oil market has deteriorated as factory gauges in the US and China both showed contractions this week, signalling weakness in manufacturing. Losses for futures deepened after US payrolls data trailed expectations (Bloomberg). Oil has sold USD 2.63 lower today to close at USD 76.89, meaning we are looking at a wave extension to the downside. For more information on the technical please click on the link. FIS Technical (Weekly)– Brent Sep 24 02/08/24 <https://fisapp.com/wp-content/uploads/2024/08/FIS-Oil-Technical-Report-02-08-24.pdf>

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