

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	30700	30000	-2.3%	Pmx 1 month forward	14250	13750	-3.5%
Cape Q4 24	28800	28225	-2.0%	Pmx Q4 24	14375	13900	-3.3%
Cape Cal 25	22000	21800	-0.9%	Pmx Cal 25	12925	12725	-1.5%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15050	14600	-3.0%	Brent	78.82	77.49	-1.7%
Smx Q4 24	14800	14525	-1.9%	WTI	#N/A	N/A	74.25 #VALUE!
Smx Cal 25	12900	12750	-1.2%	Iron ore	98.85	96.75	-2.1%

Iron Ore

Source FIS/Bloomberg

Iron ore slumped back below \$100 a ton, snuffing out a rebound, as pessimism over China’s economic prospects again weighed on industrial commodities. The steel-making material rose almost 10% over the past two weeks on tentative signs that the worst of China’s summer steel rout might be over. But soft manufacturing activity and another round of downbeat news from the country’s property sector stung prices on Monday (Bloomberg). We had been cautious on upside moves due to a hidden divergence on the daily chart last week, alongside a negative divergence on the intraday. The October futures sold over USD 4.00 lower today with price trading at USD 97.00 into the close. We noted in the morning report that although bearish with upside moves looking like they could be countertrend, the 4% drop meant that lower timeframe momentum was oversold, warning we had the potential to hold or see a countertrend move higher in the near-term. The futures have since moved sideways, with upside moves still looking like they could be countertrend.

Copper

This year’s supply crunch in the US copper market is unwinding rapidly, with a flood of imports helping to fuel the biggest monthly surge in exchange inventories in more than twenty years. Inventories underpinning Comex futures contracts jumped by more than 25,000 short tons in August. That followed a spike in prices on the exchange in May, which made it profitable to ship metal into the US from as far afield as China (Bloomberg). We noted this morning that support levels remained vulnerable, resulting in the futures trading to a low of USD 9,148 before finding light bid support into the European close. The MA on the RSI is indicating that momentum remains weak, warning the USD 9,120 support is vulnerable; if broken, then the futures will have entered bearish territory.

Capesize

Having seen a small move lower on Friday, the index turned again today with price coming in USD 1,235 higher at USD 26,935. The October futures came under a bit of pressure today to trade as low as USD 2,9700. However, going into the close we are USD 700 lower on the day at USD 30,000. For more information on the technical, please click on the link. Capesize Technical Report 02/09/24 <https://fisapp.com/wp-content/uploads/2024/09/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-02-09-24.pdf>

Panamax

We continue to see a downside slowdown in the index with price USD 95 lower at USD 10,412 today. Bearish with a neutral bias this morning in the October futures, the MA on the RSI indicating that momentum was supported. However, lower timeframe oscillators were overbought and likely to be in divergence above USD 14,300, suggesting caution on upside moves, as the technical warned we were vulnerable to an intraday pullback. The futures have traded to a low of USD 13,662.5 before price closing the day USD 500 lower at USD 13,750. We remain bearish with a neutral bias and maintain our view that we are still vulnerable to a move lower, making USD 12,930 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Supramax

Another bearish day with price USD 110 lower at USD 14,259. Bearish with upside moves looking like they could be countertrend in the October futures this morning. Having rejected key resistance on the 200-period intraday MA (USD 15,099 – USD 15,061), the subsequent downside move has found bid support above the USD 14,481 level to close USD 450 lower at USD 14,600. Price action now has a neutral bias on the close (having held support and resistance); however, if we trade below USD 14,481, then the USD 14,175 fractal low will become vulnerable.

Oil

Oil fluctuated between small gains and losses as traders weigh a planned production increase from OPEC+ next month, economic headwinds in China and lower output in Libya. West Texas Intermediate steadied above \$73 a barrel amidst lower trading volumes on Monday due to the US holiday. Global benchmark Brent hovered around \$77 a barrel after losing more than 2% on Friday (Bloomberg). Bullish with a neutral bias this morning having seen the futures gap lower on the roll into November. We noted that the probability of the futures trading to a new high had started to decrease, whilst the RSI had broken support, warning upside moves had the potential to be countertrend. We highlighted that lower timeframe momentum was over-sold, meaning we could see an intraday move higher. Price action has remained tight today with the futures trading at USD 77.25 into the close, just 23 cents higher than where we were this morning. We maintain our view that upside moves look like they could be countertrend.

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