

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	29175	29600	1.5%	Pmx 1 month forward	13600	13975	2.8%
Cape Q4 24	27650	27700	0.2%	Pmx Q4 24	13750	13950	1.5%
Cape Cal 25	21675	21550	-0.6%	Pmx Cal 25	12600	12625	0.2%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14175	14275	0.7%	Brent	73.72	73.15	-0.8%
Smx Q4 24	13975	14100	0.9%	WTI	70.22	69.69	-0.8%
Smx Cal 25	12575	12625	0.4%	Iron ore	93.45	92.8	-0.7%

Iron Ore

Source FIS/Bloomberg

United States Steel Corp. is warning union leaders and politicians pushing to block its acquisition by Nippon Steel Corp. that doing so would imperil thousands of jobs and its Pittsburgh headquarters. Without the support of the Japanese steelmaking giant, US Steel would have to pivot away from its legacy blast furnaces, endangering union jobs and undermining the competitiveness of the American steel industry, according to a company statement Wednesday. The warning echoes comments by Chief Executive Officer David Burritt to the Wall Street Journal (Bloomberg). We noted in the morning report that the October futures were in divergence, warning we could see a momentum slowdown. However, intraday Elliott wave analysis suggested that we could trade as low as USD 88.48, which if achieved had a high chance of creating a wave extension. The evening session has been subdued with the futures seeing light bid support to close at USD 92.65.

Copper

Copper steadied near \$9,000 a ton after a five-day run of losses fuelled by an increasingly dim outlook for demand in China. Prices slumped on Tuesday after Goldman Sachs Group Inc. underscored growing uncertainty for metals, hacking \$5,000 from its copper forecast for next year. Iron ore's sharp reversal to well below \$100 a ton has added to worries about turbulence in China's economy, while broader weakness in commodities was compounded by a market selloff that hurt global equities (Bloomberg). Bearish with upside moves looking like they will be countertrend, based on our intraday Elliott wave analysis. The futures have seen light bid support this afternoon, having initially traded to a low of USD 8,890, meaning we could potentially see a bullish rejection candle on the daily chart. We maintain our view that upside moves should in theory be countertrend, making USD 9,214 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease.

Capesize

The index turned today with price USD 1,036 lower at USD 26,738. As noted over the last few sessions, downside moves in the October futures looked like they could be countertrend. Having traded to a low of USD 25,825, the futures have found light bid support post index, to close the day USD 325 higher at USD 29,500. If we trade above the USD 30,076, then the USD 30,875 fractal high will start to look vulnerable, a rejection of this level will warn that the corrective phase could be more complex; whilst downside moves below USD 26,403 will mean that the probability of the futures trading to a new high will start to decrease.

Panamax

The slowdown continues, with the index only USD 4.00 lower today at USD 10,363. The October futures have followed the Capes higher today, whilst the slowing index will have been a factor. I noted previously that I am cautious on upside moves (technical report yesterday afternoon etc), as the daily RSI is at resistance, whilst our intraday Elliott wave had suggested caution on upside moves, before the roll broke key resistance. This was alongside the futures which was at USD 3,458 yesterday. Bid support today has not changed our view, we have closed USD 375 higher at USD 13,975, meaning the carry is now at USD 3,612. This is a level I am not comfortable with, considering the futures will be divergent above USD 14,300. We may go higher, but even if the seasonality kicks in, the technical suggests that we could struggle to hold at these levels.

Supramax

We continue to come under pressure with the index USD 121 lower at USD 14,026. The October contract traded below the USD 14,175 support yesterday, resulting in the futures finding light bid support today on the back of the positive divergence. We close USD 100 higher at USD 14,275; the divergence means the futures are not considered a technical sell at these levels. However, for what it is worth, both the Q4 and the Cal intraday Elliott wave cycles are suggesting that the next upside move looks to be countertrend. For more information on the technical, please click on the link. Supramax Technical Report 04/09/24 <https://fisapp.com/wp-content/uploads/2024/09/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-04-09-24.pdf>

Oil

Oil prices steadied, reversing earlier losses, as OPEC+ moved closer to an agreement to delay supply increases in response to concerns about weak demand. The global benchmark Brent fluctuated near \$74 a barrel. OPEC+ members are close to an accord that would pause a plan to raise the group's production in October, delegates said Wednesday. Earlier in the day, oil futures plummeted to their lowest since December 2023 (Bloomberg). We noted this morning that we looked to have seen an Elliott wave extension to the downside, implying upside moves will be countertrend. We also highlighted that momentum was oversold, leaving the futures vulnerable to an intraday move higher. We did find bid support with price trading to a high of USD 74.80; however, the move has failed to hold, meaning we are now USD 0.54 lower on the day at USD 73.21 into the European close. If we trade below USD 72.63, then we are looking at further wave extensions within the existing trend, as our wave analysis continues to suggest that upside move will be countertrend.

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