

FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	29200	28725	-1.6%	Pmx 1 month forward	13550	13900	2.6%
Cape Q4 24	27550	27150	-1.5%	Pmx Q4 24	13850	14050	1.4%
Cape Cal 25	21350	21325	-0.1%	Pmx Cal 25	12575	12750	1.4%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14200	14625	3.0%	Brent	73	73.5	0.7%
Smx Q4 24	14108.33	14325	1.5%	WTI	70.5	71.12	0.9%
Smx Cal 25	12700	12825	1.0%	Iron ore	91.75	92.5	0.8%

Iron Ore

Source FIS/Bloomberg

We noted this morning that the upside move in the October futures this morning had created a small trend support, if we closed below and held below it then the USD 89.60 fractal low could be tested and broken. However, we highlighted that having seen a small move higher, it meant that the daily RSI was holding around the 40 level. This warned that there could be underlying support in the market. If we closed on the daily candle above USD 93.20 (the high of yesterday's low candle) it would indicate buy-side pressure was increasing. A very uninspiring session with the futures moving sideways, meaning we have literally drifted through the trend support line. In theory, if we hold below it, then we move lower; however, we would like to see some definitive price movement, as we are trading within 15 cents of this morning's values at USD 95.55.

Copper

Copper and aluminum traded little changed following strong gains on Monday, as traders looked ahead to a Federal Reserve decision that's expected to mark the central bank's pivot to lower interest rates. While the consensus is that the Fed will reduce borrowing costs on Wednesday, investors have been debating the size of the cut. Industrial commodities rallied last week as bets grew on a half-point reduction. Looser monetary policy typically benefits metals by boosting economic growth and stimulating investor demand for non-yielding assets (Bloomberg). Technically bullish this morning with the MA on the RSI implying momentum was supported, we noted that our intraday Elliott wave analysis suggested that intraday downside moves looked like they could be countertrend. If we closed below USD 9,321 it would warn that sell-side pressure was increasing, warning we could be about to enter a corrective phase. The futures traded to a low of USD 9,337 but the move has failed to hold; going into the close we are USD 11.00 higher on the day at USD 9,401. We maintain our view that downside moves look like they could be countertrend.

Capesize

A bit of a flip flop today, having been USD 64 higher yesterday the index came in USD 61 lower at USD 25,623. The October futures opened with bid support to trade to a high of USD 29,500 on the open; however, bids have faded with the futures trading USD 475 lower on the day at USD 28,725 into the close. Technically we remain unchanged with our Elliott wave analysis continuing to suggest that downside moves look like they could be countertrend. If we do close below and hold below the 55-period EMA (USD 28,404), it will warn that sell-side pressure is increasing, meaning we could see the USD 26,403 support come under pressure.

Panamax

A better index today with price reversing the recent slowdown to come in USD 214 higher at USD 11,854. We noted that there were warning signs of underlying support in the October futures this morning, due to the two bullish rejection candles on the daily chart. We have remained supported for the session with the futures closing USD 350 higher at USD 13,900. For more information on the technical, please click on the link. Panamax Technical Report 17/09/24 <https://fisapp.com/wp-content/uploads/2024/09/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-17-09-24.pdf>

Supramax

Another day of little price movement with the index coming in USD 20 higher at USD 13,974. Technically bearish this morning in the October futures, we noted that the MA on the RSI implied that momentum was supported, despite the RSI being below its average. If the RSI closed above the average, then we could see the Fibonacci resistance zone come under pressure. However, our intraday Elliott wave analysis continued to suggest that upside moves looked like they could be countertrend, whilst the rejection of key resistance previously (USD 14,659), warned that support levels remained vulnerable. The move today has not gone as expected with the futures trading USD 425 higher at USD 14,625 going into the close. This means we are now less than USD 30 below our key resistance at USD 14,659. If broken, then the probability of the futures trading to a new low will start to decrease, meaning the probability of the lower timeframe Elliott wave cycle failing will increase. Price is now above the 55-period EMA with the RSI above its average (which implies momentum support), suggesting our resistance should in theory be broken on the open tomorrow.

Oil

Oil prices gain more than 1% as traders await the Fed's decision on interest-rate cuts on Wednesday after the latest U.S. retail sales pointed to a resilient economy. Brent crude is up 1% at \$73.48 a barrel, while WTI trades 1.4% higher at \$71.08 a barrel. "The stronger than expected retail sales data for August suggests that, boosted by rapid wealth gains and falling energy prices, consumers continue to spend freely despite the labour market slowdown," Capital Economics' Olivia Cross says in a note. Cross adds that, while it is still expected to be a "close call" and markets are increasingly pricing in a 50-basis-point rate cut, broader data looks more consistent with a 25-basis-point cut (WSJ/Bloomberg). The technical was bearish this morning but the futures were moving higher due to momentum support, in what looks to be a countertrend move. However, we had a negative divergence on the 1-hour chart, warning we could see a momentum slowdown, meaning we were cautious on upside moves at those levels (those levels being USD 73.12). The futures remained supported during the session with price trading USD 0.69 higher on the day at USD 73.44. We remain in divergence, meaning we continue to have a note of caution on upside moves at these levels.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com