

FIS European Close

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

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	28750	32850	14.3%	Pmx 1 month forward	22625	23600	4.3%
Cape Q122	16750	18500	10.4%	Pmx Q1 22	20875	22125	6.0%
Cape Cal 22	21075	21987.5	4.3%	Pmx Cal 22	19225	20106.5	4.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	25750	26625	3.4%	Brent	72.89	75.2	3.2%
Smx Q1 22	21750	23000	5.7%	WTI	68.17	71.18	4.4%
Smx Cal 22	19375	20075	3.6%	Iron ore	95.5	102.75	7.6%

Data Source FIS and Bloomberg

Iron Ore

Risk off to risk on, the futures held the USD 92.64 intraday resistance and have now moves higher. Price is back in the longer period EMA's after a bout of restocking by Chinese mills added to the risk on optimism, created by participants betting that the new COVID variant might not be as severe as initially feared. For more information on the technical aspect of the market please follow the link. Iron Ore Offshore 29/11/21 <https://fisapp.com/wp-content/uploads/2021/11/FIS-Technical-Iron-Ore-29-11-21.pdf>

Copper

The futures gapped up on the open, following the Dec iron ore futures which were trading 8% higher at one point. Risk off on Friday, the upside move in the futures could yet be a dead cat bounce, market headlines talk of a metal rebound as traders weigh the risk of the omicron variant (Bloomberg). However, the upside move is struggling to trade above the USD 9,626 level which is the 38.2% Fibonacci resistance: dead cat bounce? We will need to see more bullish price action to convince that Friday's correction was just a one-off downside move. The fear is real as shown by the speed of the collapse, suggesting this move to the downside might not be done.

Capes

We noted on Friday that the upside move in the futures on a day that global commodities were selling off illustrated the underlying strength in the market. This proved to be correct; the index is USD 1,967 higher at USD 34,360 with the Dec futures rallying USD 4,125 to USD 32,875. Price has made a higher high meaning the technical is considered as bullish, our intraday wave analysis is however still in divergence, warning we could see a momentum slowdown soon. If the market gaps higher in the morning resulting in the divergence failing it would imply upside continuation. Technically the market is a little vulnerable, the Elliott wave cycle is on a 26 min timeframe at this point, so its reliability is in question. Tomorrow's pivot point is at USD 32,166 suggesting the futures should open in bull territory, an impressive open could change the E-wave footprint, suggesting caution to market sellers on any strong upside moves in the morning E.U session.

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Panamax

Commodity sentiment was to the buyside on the Asian open resulting in the Dec futures moving higher. The Index continues to hold with price USD 1,027 higher at USD 23,277, from a technical perspective the upside move is probably countertrend; however, near-term resistance is at USD 26,231 whilst price remains vulnerable below USD 33,669. There is potentially considerable room to the upside without ever entering bullish territory. At this point the Dec futures are tracking the index, it is trading at a small premium but not getting ahead of itself, this would suggest that confidence remains muted. Upside moves above USD 24,125 will target the USD 26,600 fractal resistance, above this level the futures trend is bullish based on price due to a higher high in the market.

Supramax

Momentum on the Supramax index is bullish based on price, but the trend is bearish. The upside move in the index (USD 127 higher to USD 25,599) is more subdued than that of the Panamax sector, however price is moving from a higher base with the futures closing the day USD 875 higher at USD 26,625. Upside moves above the USD 27,250 will create a higher high in the Dec futures, at this point the trend is considered as bullish based on price. The intraday trend is showing signs that it is transitioning to the buyside but the depth of the pullback on the index would imply that the upside move is likely to be countertrend. Like the Panamax there is room for a considerable upside room within the bear trend, suggesting there is potentially more to come.

Oil

On Friday we noted that USD 76.690 would be a level of interest for technical sellers as this is the 50% retracement level of the dominant bear candle. Price traded twelve cents above our resistance before trading USD 2.00 lower to close the E.U session around the USD 75.10 level. The trend remains technically bearish at this point with upside moves to be considered as countertrend. JPM have come out with heavy fighting talk with a prediction that the futures will trade at USD 125 next year and USD 150 in 2023 (Bloomberg). I am looking at the short-term technical, and that is bearish; however, will OPEC take control to keep supply tight as they suggest? I must admit, it is a strong argument, we were betting that OPEC v's China, the U.S. and friends would lose in a battle of supply before the emergence of the new variant. With prices moving lower we could see some longer-term hedging in the bunker market over the coming days/weeks as ship owners look to take advantage of the weakening oil levels. For more information on the technical please click the link. Brent Daily technical 29/11/21 <https://fisapp.com/wp-content/uploads/2021/11/FIS-Technical-Oil-Report-29-11-21.pdf>

Have a nice Evening

Ed Hutton