European Close

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	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Cape 1 month forward	23750	23750	0.0%	Pmx 1 month forward	22250	23875	7.3%
Cape Q122	18425	19000	3.1%	Pmx Q1 22	21925	23125	5.5%
Cape Cal 22	21898	22500	2.7%	Pmx Cal 22	20100	20950	4.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	24000	25075	4.5%	Brent	70.57	69.83	-1.0%
Smx Q1 22	22650	23875	5.4%	WTI	67	66.62	-0.6%
Smx Cal 22	20575	20975	1.9%	lron ore	101.9	103.8	1.9%

Data Source FIS and Bloomberg

Iron Ore

Another day of upside moves failing to make a new high. China's official PMI which tracks a wider scope of firms rose to 50.1 from 49.2. meanwhile, the private Caixin manufacturing purchasing managers' index (PMI) stood at 49.9 in November, down 0.7 points from the previous month, indicating difficulties at smaller factories. Analysts also expect more policy support to be rolled out targeting small- and medium-sized enterprises (SMEs), helping alleviate their burdens (global Times). The divergence between PMIs has created further uncertainty in the market, having initially rallied the Dec futures traded USD 2.50 lower to close the session at 103.5. The uncertainty replicates the technical, the intraday is still bullish but the daily is at resistance. USD 106.10—USD 95.05 is the near-term range.

Copper

News headlines highlight 'Tight Supply Bolsters Base Metals While Traders Mull Fed Pivot '. Base metals rallied as upbeat commentary from China and ongoing signs of tight supply countered concerns over a hawkish pivot by Federal Reserve Chair Jerome Powell (Bloomberg). The upside move has not held with price trading back on its lows into the E.U close, if we stay like this then we will have an inside day candle pattern which is neutral. The pattern will give us breakout levels of USD 9,600-USD 9,448, based on the current high/low of the day's range.

Capes

The cape futures sold lower on the open with price trading down to USD 32,250. The futures based over the index which came in USD 158 lower at USD 37,023, spurring market buyers to push the futures up to USD 33,625 into the close. Tomorrows pivot point will be at USD 33,500 so the market could be in the balance on the open, the downisde rejection supports price opening above the USD 33,500 level but ultimately it will be a wait and see process. A similar situation for the rolling front month contract (Jan 22), price closed unchanged on the day, USD 1,000 above the day's low. In this instance the pivot is at USD 23,291 with price closing out at USD 23,750 which would support potential higher pricing tomorrow.

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FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COAL

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Panamax

The Jan 21 futures remain below the USD 26,600 fractal resistance having closed the day USD 1,625 at USD 23,875. However, the Q1-22 and Cal-22 have made higher highs. Some potential momentum issues ahead. For more information on the technical please click on the link. Panamax Technical Report 01/12/21 https://fisapp.com/wp-content/uploads/2021/12/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-01-12-21.pdf

Supramax

The index momentum increased today with price coming in USD 379 higher at USD 26,115. The Dec futures were starting to look vulnerable with upside moves starting to fail yesterday; however, price has now traded above the USD 27,250 fractal resistance to close the day at USD 27,550. The futures are now technically bullish and trading at a USD 1,400 premium to the index. We still have a couple of weeks for the averaging in to take effect, for now it has a little time on its side with the expectation that the index will continue to push. It is worth noting that the RSI on the 4-hour intraday chart has made a higher high meaning there are no divergences in play. Tomorrow's pivot point will be at USD 27,200, suggesting we could see another bull day ahead of us. Jan 22 is trading at a discount to Dec and the index, this has resulted in the futures moving USD 1,075 higher to close the day at USD 25,075. If the index continues to push, we could see a narrowing in the DEC v Jan spread due to the current discount.

Oil

The futures had performed well overnight with the intraday 1-hour trend entering neutral territory, it had look like we could see some form of base in the market. However, the futures failed to capitalize with price giving up the bulk of its early gains in the E.U afternoon session. USD 69.38 is the near-term downisde target as that is the current low, below this level we see some divergences in play, we are bearish the trend, but we are not a seller on a new low. Bank of America have joined the bull chorus and maintain its USD 85 barrel a day forecast for 2022 with the potential to see spikes above USD 100 (Bloomberg). I'm not sure where the Cal is trading but the rolling ten month looks to be around USD 67.40, if that is the case and JPM and BOA are correct there could be some value for hedgers in this curve!

Have a nice evening

Ed Hutton

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