

# FIS European Close

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|                      | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|
| Cape 1 month forward | 24875          | 26125         | 5.0%     |
| Cape Q122            | 20250          | 21041.5       | 3.9%     |
| Cape Cal 22          | 23600          | 23925         | 1.4%     |

|                     | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Pmx 1 month forward | 25750          | 25000         | -2.9%    |
| Pmx Q1 22           | 24625          | 24450         | -0.7%    |
| Pmx Cal 22          | 22025          | 22000         | -0.1%    |

|                     | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Smx 1 month forward | 26750          | 26050         | -2.6%    |
| Smx Q1 22           | 24925          | 25000         | 0.3%     |
| Smx Cal 22          | 22225          | 22325         | 0.4%     |

|          | Previous Close | Current Close | % Change |
|----------|----------------|---------------|----------|
| Brent    | 70.14          | 72.33         | 3.1%     |
| WTI      | 66.22          | 68.73         | 3.8%     |
| Iron ore | 101.9          | 105           | 3.0%     |

Data Source FIS and Bloomberg

## Iron Ore

China has cut its reserve ratio on the back of a slowing economy which puts the central bank on a different policy path to many of its peers (Bloomberg). The futures have traded above USD 106.10 meaning the intraday Elliott wave cycle has achieved the minimum requirement for phase/cycle completion. The daily technical remains bearish. For more information on the technical please follow the link. Iron Ore Offshore 06/12/21 <https://fisapp.com/wp-content/uploads/2021/12/FIS-Technical-Iron-Ore-06-12-21.pdf>

## Copper

The futures remain in a consolidation phase with price within the range of the candle from the 01/12/21. Upside moves above the USD 9,600 level would warn that the technical condition is improving, whilst a move below USD 9,349 will target the USD 9,315 fractal low. The closure of Las Bambas is supporting the market in the near-term; however, the reserve ratio cut in China is raising concerns about the health of their economy which is weighing on the metals markets. Technically neutral.

## Capes

The index continues to move higher with price up USD 874 to USD 38,970 today which has put the daily RSI at 49. If we move above 50 then momentum will support further upside within this move. Near-term resistance at USD 48,916, if we close below USD 37,064 then momentum will be seen to be weakening based on price, warning we could be entering a corrective phase lower. The upside move has seen the rolling front month contract (Jan-22) move USD 1,250 higher to USD 26,125, price has now entered the resistance gap created by the roll. The technical is bearish as the roll from Dec to Jan put price below the USD 26,250 fractal support; however, momentum based on price is bullish, tomorrow's pivot point is looking like it will be at USD 25,833, if we can hold above this level on the open then we could see further upside continuation. The futures are discounted by USD 12,000 to the index, historically Jan is bearish so the futures will track the index higher for now, but it is hard to imagine price looking to close the disparity based on the seasonality chart.

## Panamax

Another strong day in the index with price USD 750 higher at USD 26,568. Price has entered the Fibonacci resistance zone, upside levels to watch out for are USD 28,404 and USD 31,349. A close below USD 25,222 would indicate that momentum is weakening based on price, warning we could be entering a corrective phase. However, the Jan-22 futures have come under pressure with price down USD 750 to USD 25,000, key resistance is at USD 26,600, above this level the futures will create a higher high and be considered bullish. Tomorrow's pivot will be at USD 25,305, an open below this level will warn we could see a weakening on the intraday price; likewise, a close below USD 25,033 would mean momentum is weakening based on price. Neutral bearish, the futures must hold these levels to keep technical sellers out of the market.

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## Supramax

Up only USD 231 today in the index to USD 26,972, momentum based on price is still bullish, but we are seeing a small slow-down, a close below USD 26,233 would indicate that momentum is weakening based on price. For the futures it is a similar situation to that of the Panamax, the Jan-22 contract has traded to a high of USD 27,000, price needs to trade above USD 27,250 to be considered as bullish. The downside moves means the Jan contract has closed at USD 26,050, tomorrow's pivot point will be at USD 26,350 meaning the futures will need to open higher on the E.U session otherwise price could attract technical sellers to the market. Likewise, a close below USD 26,061 would indicate that momentum is weakening based on price, warning the futures could enter a corrective phase.

## Oil

Oil Rises After Saudi Price Hike Signals Confidence in Demand Have a nice weekend (Bloomberg). For more information on the technical please click on the link. Brent Daily technical 06/12/21 <https://fisapp.com/wp-content/uploads/2021/12/FIS-Technical-Oil-Report-06-12-21.pdf>

Have a nice evening

Ed Hutton