

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	27500	24750	-10.0%	Pmx 1 month forward	23750	22125	-6.8%
Cape Q122	21625	19925	-7.9%	Pmx Q1 22	23750	22400	-5.7%
Cape Cal 22	24300	23350	-3.9%	Pmx Cal 22	21375	20600	-3.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	25575	25000	-2.2%	Brent	75.33	76.11	1.0%
Smx Q1 22	24650	23675	-4.0%	WTI	71.73	72.73	1.4%
Smx Cal 22	22275	21725	-2.5%	Iron ore	112.25	111.9	-0.3%

Data Source FIS and Bloomberg

Iron Ore

There has been little price action in the last 24 hours after moving USD 15.00 in the previous two sessions. Monetary loosening and an expectation of higher steel output have been behind the push, steel margins are at RMB 940 which would suggest that mills will not be that concerned about the price of the raw material. The DCE contract has moved higher on increased volume and open interest suggesting there is a fresh build going on in the market. Price needs to go trade above USD 123.90 in the rolling front month contract to make a new high if it does the technical is bullish.

Copper

Having made a higher high on the intraday yesterday the futures sold off into the close, leaving the futures relatively unchanged. The futures have moves higher today but remain within the previous day's range. Little to report in the news which would explain the limited activity. Bullish intraday but bearish on the daily leaving some confliction in the market, near-term key resistance is at USD 9,729.

Capes

The index continues to move higher with price up USD 1,706 at USD 43,030. However, the Jan 22 futures have entered in a corrective phase with price USD 2,750 lower at USD 24,750. Price opened above the daily pivot point but news that Evergrande is having to overhaul its balance sheet without Government support whilst creditors of Kaisa Group Holdings Ltd. have yet to receive payment on a \$400 million dollar bond that was due to mature Tuesday, meant that market longs looked to exit due to the market uncertainty. A bearish close would suggest that we could look to test the USD 22,375 fractal support in the coming days.

Panamax

Slowing momentum on the index has seen price turn lower today (USD -283 at USD 27,656), a close below USD 26,909 will mean that momentum is weakening based on price. Having failed to make a new high above USD 26,600 price has traded below the USD 23,270 support. We noted yesterday that if support was broken than the futures will target the USD 21,800 fractal support. Price has closed the day on its low at USD 22,000, suggesting this level will be broken on the open, if it is then the next fractal support is at the market low (USD 17,250). Tomorrow's pivot point is at USD 22,666, in the unlikely event that we do gap up and open above this level then market shorts will need to be careful as something will have had to have changed on the physical or sentiment.

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Supramax

As noted yesterday the weak close had suggested the USD 25,020 support could come under pressure which has been the case. Price opened below the daily pivot point; we did have a test to the upside but with the capes coming under pressure the move failed to hold. Near-term fractal support is at USD 24,000 making it the near-term downside target for market sellers. The spot is USD 354 higher at USD 27,721 higher so we are forming a disparity gap, however based on the Cape futures and the Panamax index it would suggest that a slowdown in the physical will be with us soon. Technically bearish and now moving lower.

Oil

As noted on the morning technical momentum was warning that the futures had the potential for another test to the upside and this has been the case. Price did drop to a low of USD 74.38 but is now trading back at its highs. Futures in New York held near \$72 a barrel on Wednesday. Domestic crude inventories fell 241,000 barrels last week, government data showed -- far less than 3.1-million-barrel decrease the industry-funded American Petroleum Institute reported on Tuesday. Stockpiles rose by 2.3 million barrels at the nation's biggest storage hub at Cushing, Oklahoma, the most since February (Bloomberg). Price did come under pressure initially, however the market is already risk on due to the Omicron variant looking like it is not resistant to a booster jab. Price has held and the trend is bullish, we are however due an intraday correction because we will see a negative divergence on a new high.

Have a nice evening

Ed Hutton