# **European Close**

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	Previous	Current			Previous	Current	_
	Close	Close	% Change		Close	Close	% Change
Cape 1 month forward	16625	16750	0.8%	Pmx 1 month forward	24375	24250	-0.5%
Cape Q122	18250	17791.5	-2.5%	Pmx Q1 22	24500	24375	-0.5%
Cape Cal 22	24075	24075	0.0%	Pmx Cal 22	23200	23050	-0.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	23000	22875	-0.5%	Brent	80.16	81.32	1.4%
Smx Q1 22	23262.5	23125	-0.6%	WTI	77.21	78.45	1.6%
Smx Cal 22	22362.5	22300	-0.3%	lron ore	123.1	125.1	1.6%

### Iron Ore

Data Source FIS and Bloomberg

Iron ore futures resumed gains above \$120 a ton in Singapore as Chinese media reports fueled expectations of monetaryeasing announcements later this month. China's central bank will likely attempt to counter a liquidity shortage by easing monetary policy before the Lunar New Year holiday season, which starts Feb. 1, the China Securities Journal reported on Wednesday. Authorities could step up market operations in the second half of January, the report cited analysts as saying (Bloomberg). As noted yesterday the afternoon session had produced a higher high and higher low suggesting we have the potential for further tests to the upside today. The Feb contract is around USD 3.00 higher at USD 126.25, having traded above the USD 126.30 resistance, the futures are now targeting the USD 129.45 high.

# Copper

Speculators Boost Net Bullish LME Copper Bets to 6-Week High (Bloomberg). After yesterday's upside move, we are witnessing an inside day in the futures as price is holding within the previous day's range. Limited movement with price consistently mean reverting to the daily pivot point (USD 9,734) during the European and Asian session. Technically we remain bullish, if we do close below USD 9,700 then momentum will be seen to be weakening based on price, warning we could be entering the early stages of a technical pullback.

# Capes

Price is making a lower low in the Feb contract but this has created a positive divergence meaning although technically bearish the futures are not considered a technical sell. For more information on the technical please click on the link Capesize Technical Report 05/01/21 https://fisapp.com/wp-content/uploads/2022/01/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-05-01-22.pdf

# Panamax

The index continues to perform with price USD 1,158 higher today at USD 25,687. We noted yesterday how the paper and the index were telling two different stories and this remains the case. Price opened above the daily pivot point, but the RSI remained below its moving average indicating price and momentum were conflicting. The upside move in the morning failed to hold with price closing the day at USD 24,250, below the USD 24,625 pivot, meaning price and momentum are weak. Tomorrows pivot point will be at USD 24,416, if we open below this level we could see further technical selling in the market, the index is bullish but slowing down, if this continues to be the case then market sellers will be emboldened. However, with Capes bid into the close we could see price opening above the pivot in the morning, if this happens then recent market shorts may look for cover.

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

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### Supramax

We noted yesterday that seasonality leaned to the sell side, but the index is now showing a positive divergence with the RSI, warning of the potential for a momentum slowdown. The technical remains bearish with the index USD 488 lower at USD 23,815, bearish but it is slowing down. For the paper it is a case of continued sideways action, the Feb contract is weaker by USD 125 at USD 22,875, however we have a double bottom on the daily chart and a triple bottom on the intraday chart at USD 22,500, if broken, on paper it is a technical sell as it is a major support; however, this will create a positive divergence on both the daily and intraday RSI's. Technically bearish, but not a technical sell.

Oil

Oil entered a corrective phase overnight but the technical remains bullish, price traded above the USD 80.18 level meaning the futures targeted the USD 80.55 then USD 81.71, price has traded up to USD 81.50 with the futures currently 20 cents off their high. Supporting the upside move is the U.S. crude inventories - Oil climbed after U.S. crude inventories fell for a sixth week, as some questioned whether OPEC and its allies could successfully raise output as much as they intend. Futures in New York rose as much as 2% and the global benchmark traded near \$81 a barrel on Wednesday. Domestic crude stockpiles fell 2.14 million barrels, according to an Energy Information Administration report. Meanwhile, gasoline inventories surged by 10.1 million barrels, the most since April 2020 (Bloomberg). With the futures moving higher price now needs to trade above the USD 81.66 level, if broken we target USD 83.00 and USD 85.50.

Ed Hutton

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