

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16750	16875	0.7%	Pmx 1 month forward	24250	23125	-4.6%
Cape Q122	17791.5	18300	2.9%	Pmx Q1 22	24375	23300	-4.4%
Cape Cal 22	24075	24325	1.0%	Pmx Cal 22	23050	22250	-3.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	22875	22925	0.2%	Brent	80.24	82.32	2.6%
Smx Q1 22	23125	23000	-0.5%	WTI	77.19	79.74	3.3%
Smx Cal 22	22300	22050	-1.1%	Iron ore	125.1	127.65	2.0%

## Iron Ore

Data Source FIS and Bloomberg

Iron ore futures climbed for a second day on expectations that macroeconomic measures to help stabilize growth in China will boost raw-materials demand. Futures in Singapore are heading for a seventh weekly advance in eight on growing optimism that the world's largest steelmaker will roll out policies to counter a property-driven slowdown. Steel mills also tend to restock iron ore before the Lunar New Year (Bloomberg). The Feb futures continue to move higher with price trading up to USD 128.25, near-term resistance is at USD 129.45, upside moves above this level have the potential to create a negative divergence with the RSI, the technical is bullish but there are warning signs that we could see a momentum slowdown. Obviously, any stimulus from the Chinese government would probably suggest the divergence should be ignored!

## Copper

Jeff Currie the Global head of commodity research at GS has was reported on Bloomberg T.V this morning as saying he is broadly bullish commodities in what he believes is a super cycle that could go on for years. However, price has been coming under pressure today on the back of the Fed comment yesterday which signaled that rate hikes could be more aggressive than previously suggested (See morning base report). Price opened below the daily pivot point with the 4-hour RSI moving below 50, the downside move on the intraday technical is now bearish. Likewise, the daily RSI is moving below 50 whilst the stochastic is in overbought territory, momentum on the daily technical is now vulnerable to further tests to the downside. USD 9,359 is a key level on the daily technical, if it holds it will support a bull argument, if it does not, we could see the USD 9,276 and USD 9,135 support levels be tested.

## Capes

The index is USD 451 higher today at USD 19,535, indicating that momentum is improving based on price, the close is only 25 bucks above our signal line, suggesting we really need a higher day tomorrow to be confirmed. We noted yesterday that the Feb futures had entered a support zone with a positive divergence in play. Price did trade lower into the support zone on the open to a low of USD 15,325 before buying support pushed the futures up nearly USD 2,000 to close the day at USD 17,250. The close is not high enough to signal that momentum is improving based on price but it is above tomorrows pivot point (USD 16,608) if we open above this level tomorrow, we could see further tests to the upside as intraday price and momentum are already aligned to the buy-side. The futures are not currently considered a technical sell due to the positive divergence in play.

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## Panamax

Momentum on the index had slowed yesterday with the front-end futures coming under pressure. The index is higher today but only USD 94 at USD 25,781, for momentum to be considered as bearish price will need to close below USD 23,664. In the futures it has been another bear day, price traded to a low of USD 22,875 before finding support on the back of the Cape move. From a technical perspective we have momentum conflicting, on the daily technical the RSI is at 46 with the stochastic overbought, momentum looks vulnerable; however, on the intraday futures the RSI at 48 is near neutral with the stochastic oversold, if the RSI moves above and holds above 50 then intraday momentum is vulnerable to a test to the upside. Price is in the Fibonacci support zone, corrective moves that hold at or above USD 21,675 will support a bull argument, below this level would warn of that we have the potential to see a further weakening of prices.

## Supramax

We continue to see a weakening in the index with price USD 450 lower at USD 23,365, however the positive divergence remains in play, warning of the potential for a momentum slowdown. As previously noted, USD 22,500 had been a key support, this was broken on the open creating an intraday low and with it a positive divergence with the RSI. The divergence has attracted market buyers, resulting in price closing on their high at USD 23,050. Technically bearish but from a technical perspective the futures are not regarded as a sell. Tomorrow's pivot will be at USD 22,783, if we open above and hold above this level we have the potential to see some short covering in the market.

## Oil

Oil climbed to a seven-week high as supply constraints from OPEC+ to North America offset concerns about the impact of a Covid-19 outbreak in China. Futures in New York traded above \$80 a barrel on Thursday, the highest since Nov. 17, before paring some gains. A deep freeze in Canada and the northern U.S. is disrupting oil flows, boosting prices just as American stockpiles decline. Output from OPEC+ member Kazakhstan's giant Tengiz oil field has been temporarily adjusted amid unrest in the Central Asian country (Bloomberg). A significant upside move in the futures today with price trading above the USD 81.66 level, this is the high of the dominant bear candle from the 26/11/21. Near-term fractal resistance is at USD 83.00, above this level the technical is bullish with price targeting the USD 85.50 and USD 86.70 resistance levels. The intraday trend (4-hour) looks stable with the longer period EMA's (30-60) well-spaced, suggesting downside moves should find buying support on technical pullbacks in the near-term.

## Ed Hutton