

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	14850	14875	0.2%	Pmx 1 month forward	21375	22375	4.7%
Cape Q122	16475	16541.5	0.4%	Pmx Q1 22	22000	22525	2.4%
Cape Cal 22	23000	23275	1.2%	Pmx Cal 22	21325	21875	2.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	21475	21500	0.1%	Brent	81	83.66	3.3%
Smx Q1 22	21775	21750	-0.1%	WTI	78.43	81.35	3.7%
Smx Cal 22	21525	21625	0.5%	Iron ore	125.4	128.9	2.8%

Data Source FIS and Bloomberg

Iron ore

As noted yesterday the downside move in the futures had been on low volume suggesting market buyers we're pulling back, rather than market sellers pushing price lower. The February contract has moved USD 3.50 higher to USD 128.7; we continue to remain cautious due to the potential for a negative divergence with the RSI above USD 129.45. Cautious but also conscious of the heavy rains in southeastern Brazil which has caused Vale to suspend operations whilst regulators are dispatched to monitor any impact on tailings dams. Any prolonged suspension of operations will influence the technical and could cause the divergence to fail.

Copper

A short trading day for copper due to a 5-hour outage at the LME. Price is subdued but intraday price and momentum are aligned to the buy side; however, the longer period 4-hour moving averages are starting to replicate that of the daily chart, as both sets of averages are now flat indicating a lack of trend in the market. The futures are currently trading at USD 9,671, if we hold above the USD 9,600 level then it will indicate that momentum is improving based on price, upside moves above USD 9,715 will warn that the USD 9,812 resistance could be tested. Technically neutral there are some bull signals in the market.

Capes

The index came in USD 1897 lower at USD 19,284 today, in line with market expectations. The February futures came under pressure in the morning, trading to a low of USD 14,150; however, as we approach the European close price is flat on the day at USD 4,875. Tomorrow's pivot point is expected to be around USD 14,891 which could make for an interesting open. A mixed technical for the Capesize futures, for more information please click on the link - Capesize Technical Report <https://fisapp.com/wp-content/uploads/2022/01/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-11-01-22.pdf>

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Panamax

The index has been playing catch up today with price coming in USD 1,210 lower at USD 23,099, Momentum had entered bull territory based on price having previously seen an upside move, if we close tomorrow below USD 23,034 then price will once again be seen to be weakening. For the February futures it has been a positive day having moved USD 875 higher to USD 22,250, today's range is within the body of yesterday's range this is known as an inside day pattern. In theory an upside move above today's high of USD 22,375 would signal a bullish breakout; likewise, a move below USD 21,375 would signal a bearish breakout. Inside day breakouts perform better in the direction of the previous trend, however we should highlight that if you run a trend line between the Novembers low at USD 17,250 and December's low of USD 19,375, you will see that the futures are currently on a trend support, making this a high-risk trade on a downside breakout. A close below the trend support would warn the USD 19,375 fractal support could be tested. Technically bearish but on support, the inside day pattern should be watched for a short-term breakout.

Supramax

The index is USD 470 lower today at USD 21,543, signalling a small momentum slowdown in price. Unchanged on the day in the February futures, meaning the index and the paper are at an equilibrium. Price traded to a low of USD 21,375 and a high of USD 21,750, a tight range with subdued price action, the technical remains in a bear trend just above the USD 20,750 low.

Oil

Oil jumped by the most in month after Jerome Powell's comments to the Senate Banking Committee appeared to be less hawkish than the Federal Reserve had recently telegraphed. West Texas Intermediate crude rose, in tandem with equity markets, as much as 3.8%, to the highest since November 16. Markets were supported after the Federal Reserve Chair said at some point this year he and his colleagues will allow the Fed's \$8.77 trillion balance sheet to run off. Powell's comments were a "a touch more dovish than what was implied in the recent minutes and suggested by other Fed speakers in the last few days," said Vital Knowledge founder Adam Crisafulli. A good day for oil, the Brent futures have now traded above the USD 83.00 fractal resistance, the technical is now bullish and will remain so above USD 77.04. The technical breakout means we now target the USD 85.50 and USD 86.70 fractal resistance levels.

Have a nice evening