

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	13875	12250	-11.7%	Pmx 1 month forward	19675	17425	-11.4%
Cape Q122	15375	14050	-8.6%	Pmx Q1 22	21050	19325	-8.2%
Cape Cal 22	23075	22137.5	-4.1%	Pmx Cal 22	21800	20475	-6.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	20500	19000	-7.3%	Brent	86.53	86.86	0.4%
Smx Q1 22	21225	20150	-5.1%	WTI	84.27	84.79	0.6%
Smx Cal 22	21275	20437.5	-3.9%	Iron ore	124.12	127.5	2.7%

Data Source FIS and Bloomberg

## Iron Ore

Iron ore futures climbed after three days of losses as investors weighed the supply outlook in the seaborne market and expectations that China will roll out more policy measures to boost growth (Bloomberg). From a technical perspective we are seeing mixed signals, as we seem to have completed an intraday Elliott wave cycle, however the futures are moving higher on above average volume having held moving average support. For more information on the technical please click on the link. Iron Ore Offshore 18/01/22 <https://fisapp.com/wp-content/uploads/2022/01/FIS-Technical-Iron-Ore-18-01-22.pdf>

## Copper

It has been an interesting couple of days for the copper futures as we have seen two failed tests to the downside with the upside move failing both times at the weekly pivot point of USD 9,774. The technical is neutral bullish due to the depth of the pullback, on both tests the downside the futures have held around the 78.6% Fibonacci retracement at USD 9,638. Yesterday we highlighted a potential Gartley pattern but acknowledged that the pattern was not clean, it is even less so today. Having held to the downside the technical continues to suggest the market is supported, if we close above the USD 9,774 level tomorrow it would further support bullish price action. However, downside moves below USD 9,634 would imply the USD 9,520 fractal support could be tested.

## Capes

We noted yesterday that if the Feb futures opened below the USD 14,000 pivot point price could come under pressure, which has been the case. The index is USD 1,277 lower at USD 10,913, further adding to the bearish argument in the futures. From a technical perspective we noted on the morning report that downside moves below USD 12,625 would create a positive divergence with the RSI on the intraday, price has moved lower and traded at a low of USD 11,875; however, we will close today at USD 12,250. The divergence remains in play meaning we maintain our view that the futures are not considered a technical sell at this point, this could change if the divergence fails. Technically bearish and in trend, but also in divergence.

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## Panamax

The index is USD 924 lower at USD 18,675, meaning we have broken support and created a lower low. As noted on the February futures in the morning report the trend is technically bearish and now targeting the USD 17,250 low. There was a minor divergence on the daily technical, but this is now failed suggesting the futures will make a new low on the open tomorrow, as we have closed at USD 17,500. If we do make a new low there will be a larger divergence in play, however the RSI is 10 points off its low, suggesting there will be room for more downside in the futures in the near-term. Technically bearish upside moves on the intraday should be considered as countertrend at this point.

## Supramax

As noted on the morning report the futures were testing the USD 19,750 support level, if broken the futures will target the USD 18,535 and USD 18,031 levels. Support was broken resulting in the futures trading to a low of USD 18,875, before closing the day at USD 19,000. The trend remains technically bearish suggesting our near-term support levels should be tested in the coming days. The index remains steady and bearish with price USD 261 lower today at USD 20,242, we would need to close above USD 21,010 for momentum to be seen to be improving based on price. In the Feb contract on the daily chart the futures remain in divergence but the RSI is at 31 with a low at 20, suggesting there is still more room to the downside within this current move.

## Oil

The Biden administration is working with oil-producing countries to ensure supply rises to meet demand, according to the White House, as prices surge to the highest level in seven years. The White House plans to continue to monitor prices in the context of global growth and hold discussions with OPEC+ countries as needed, National Security Council spokeswoman Emily Horne said in a statement on Tuesday (Bloomberg). Sorry Joe, we see this as a bullish Elliott wave 3, suggesting downside move should be considered as countertrend. For more information on the technical please click on the link - Brent Daily technical 18/01/22 (Downside Moves Should be Considered Countertrend) 18/01/22 <https://fisapp.com/wp-content/uploads/2022/01/FIS-Technical-Oil-Report-18-01-22.pdf>

Have a nice evening

Ed Hutton