

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	12250	11525	-5.9%	Pmx 1 month forward	17425	17000	-2.4%
Cape Q122	14050	13600	-3.2%	Pmx Q1 22	19325	18700	-3.2%
Cape Cal 22	22137.5	21850	-1.3%	Pmx Cal 22	20475	20250	-1.1%

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Smx 1 month forward	19000	17875	-5.9%	Brent	88.57	88.74	0.2%
Smx Q1 22	20150	19312.5	-4.2%	WTI	86.56	87.23	0.8%
Smx Cal 22	20437.5	19975	-2.3%	Iron ore	126.98	131.95	3.9%

Data Source FIS and Bloomberg

Iron Ore

Iron ore led gains among industrial metals as China vows to use more monetary policy tools to spur the economy, brightening the outlook for raw materials demand. Futures in Singapore climbed over 3% to more than \$130 a ton, while base metals including nickel continued their new year rally (Bloomberg). Technically little has changed with price continuing to trade higher but remaining below USD 134.15, leaving the technical in balance. If the futures make a new high it would suggest we have entered a new cycle or there's been a wave extension, at this point the technical is still considered as bearish based on the lower low, suggesting this upside move could still be countertrend.

Copper

We had previously noted that there was a potential convoluted Gartley pattern in play which has resulted in price holding the 78.6% Fibonacci retracement. Alongside Iron ore the futures have moved higher on the pledge from the Chinese government to spur the economy. Price is now trading above the USD 9774 weekly pivot point, if we close above this level, it will support a bull argument, if we close below it, we remain vulnerable.

Capes

The index remains in a bear trend with price USD 744 lower today at USD 10,169, a close above USD 12,822 is needed for momentum to be seen to be improving based on price. Another down day in the February futures with price USD 725 lower at USD 11,525, on the daily technical the RSI has made a new low which supports a bearish argument; however, we continue to see positive divergences on the lower time frame intraday technical warning of the potential for a momentum slowdown. However, based on the lack of activity in Brazil and strikes in West Africa this market will need support from the physical. Tomorrow's open could be key as the pivot point will be at USD 11,541 whilst price has closed today at USD 11,525, making for an interesting open.

Panamax

The index continues to move lower and has now confirmed the bearish break to the downside. For more information on the technical please follow the link. Panamax Technical Report 19/01/22 <https://fisapp.com/wp-content/uploads/2022/01/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-19-01-22.pdf>

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Supramax

The futures remain technically bearish and in trend, as does the index which is USD 307 lower today at USD 19,935. The February futures continue to move lower with price closing today at USD 17,900, which could make for an interesting open, as tomorrow's pivot point will be at USD 17,883, if we open above this level, we may see buying support enter the market. The intraday Elliott wave analysis does remain bearish, suggesting that any upside moves should be considered as countertrend at this point.

Oil

Oil touched its highest level since October 2014 as the International Energy Agency said the market looks tighter than previously thought, with demand proving resilient to omicron. Futures in New York traded around \$87 a barrel, with the IEA saying in a report on Wednesday that oil demand is on track to hit pre-pandemic levels. The agency also said global stockpiles are falling rapidly as demand remains robust and the OPEC+ coalition struggles to revive output. That's a further indication that production could be lower, or consumption could be higher, than the market estimates, it said (Bloomberg). The trend remains technically bullish as highlighted yesterday, in what looks to be an extended Elliott wave 3, this is supported by increasing open interest. On top of the IEA report we still have the geopolitical tension between Russia and the Ukraine which has the potential to see price elevate further.

Have a nice evening

Ed Hutton