

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	10500	11500	9.5%	Pmx 1 month forward	18250	19125	4.8%
Cape Q222	21500	22875	6.4%	Pmx Q1222	23000	23875	3.8%
Cape Cal 23	19300	19825	2.7%	Pmx Cal 23	16075	16450	2.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	19500	20500	5.1%	Brent	87.9	86.33	-1.8%
Smx Q2 22	22125	23500	6.2%	WTI	84.83	83.44	-1.6%
Smx Cal 23	16125	16300	1.1%	Iron ore	137.45	133.75	-2.7%

## Iron ore

Data Source FIS and Bloomberg

Authorities in China's top steel-making hub of Tangshan are ordering more output curbs as air quality deteriorates in Beijing -- less than 200 kilometres away - ahead of the Winter Olympics that start next week. Levels of the most dangerous type of air particulate in the Chinese capital have surged over the past week and are now at the highest level since early November, according to readings from the U.S. embassy. Authorities want to ensure blue skies to showcase the winter games, which run in and around Beijing from Feb. 4 to 20 (Bloomberg). As noted on Friday the futures were technically bullish and targeting the USD 142.65 level in the near-term, the upside move failed to hold due to the output ban and the approaching Chinese New Year. The futures however did trade to a high of USD 141.40 before closing the day USD 9.40 lower at USD 132.00. The technical is corrective but holding above the USD 128.96 support, below this level the futures will have a neutral bias, whilst below USD 122.55 the futures are bearish. The RSI is at 50 whilst the stochastic is oversold, momentum is warning the technical is vulnerable to a test to the upside, providing the RSI holds above 50.

## Copper

Like iron ore the futures had a weak open in the Asian session resulting in downside continuation during the day. The intraday technical is once again neutral due to the depth of the pullback, below USD 9630 the futures will target the USD 9,467.5 low. Price continues to come under pressure due to the risk off sentiment across global markets due to geopolitical concerns. Technically we are bullish, but the futures are looking very vulnerable.

## Capesize

The index continues to weaken with price USD 455 lower today at USD 6,935. In the futures we have seen a different story as the February contract is USD 1,000 higher at USD 11,500. The trend remains technically bearish, but today's candle is within the range of Fridays candle, this is known as a bullish Harami and warns that we have the potential to see an upside move soon. The intraday technical continues to show positive divergences with the seasonality chart based on a 5-year average suggesting we have the potential for the market to form a base soon.

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## Panamax

The index remains in a bear trend but has produced a positive number with price USD 32 higher at USD 16,783, a close above USD 17,549 would indicate that momentum is improving based on price. The downside move in the futures on Friday held above key support, resulting in the February futures moving USD 875 higher today to close at USD 19,125. We have a conflicting technical, Elliott wave analysis would suggest we are vulnerable to another move to the downside; however, this is a psychological footprint of the market, the lifting of the Indonesian coal export ban means the fundamental has/is changing. On the daily technical momentum is bullish based on price, the futures opened below that closed above the weekly pivot point at USD 18,475, supporting a near-term bull argument.

## Supramax

From a technical perspective we have the same situation in the Supramax as that of the Panamax. The index remains bearish with price USD 231 lower today at USD 19,006; however, the February futures are USD 1,000 higher at USD 20,500, having held support on Friday. The initial upside move comes from the lifting of the Indonesian export ban whilst the Elliot wave still suggests we should have another test to the downside, leaving the technical to conflict with the fundamental. The futures opened above the USD 19,308 weekly pivot point which supports a near term bull argument.

## Oil

Oil in New York tumbled as risk-off sentiment prevailed across financial markets, driven by concerns about monetary tightening and growing political tensions in Ukraine. U.S. crude futures lost as much as 3.5%, erasing earlier gains. The S&P 500 is set to enter a correction phase amid concerns about the U.S. Federal Reserve's imminent rate lift off, while the dollar climbed, making commodities priced in the currency less attractive (Bloomberg). The downside move in the futures means the intraday has entered a complex corrective phase, if the pullback holds above USD 83.44, it suggests this is a counter trend move within the bullish wave 3 that started on the 20/12/21; however, if we trade below this level there is a neutral bias in the market that would warn that we are in a corrective wave-4 on a higher timeframe.

Have a nice Evening

Edward Hutton