

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	10250	10750	4.9%
Cape Q222	21750	22000	1.1%
Cape Cal 23	19375	19675	1.5%

	Previous Close	Current Close	% Change
Pmx 1 month forward	17550	16875	-3.8%
Pmx Q1222	22500	22200	-1.3%
Pmx Cal 23	16025	15925	-0.6%

	Previous Close	Current Close	% Change
Smx 1 month forward	19425	18750	-3.5%
Smx Q2 22	22375	21875	-2.2%
Smx Cal 23	15900	15675	-1.4%

	Previous Close	Current Close	% Change
Brent	88.08	90.3	2.5%
WTI	85.17	87.76	3.0%
Iron ore	138	137.85	-0.1%

Iron Ore

Data Source FIS and Bloomberg

Iron ore was steady in Singapore -- reversing an earlier decline of almost 2% -- on optimism China will prioritize economic growth. The government will introduce measures such as lowering taxes to support industries facing difficulties, Premier Li Keqiang told broadcaster CCTV. Steel policy this year will have less emphasis on reducing overall capacity, BloombergNEF said in a note earlier this week. President Xi Jinping told a Politburo meeting that "great efforts" were needed to upgrade the steel sector and other traditional industries, according to Xinhua. "A flexible approach to energy conservation and emissions reduction in State Council guidelines amounts to regulatory easing that will loosen the shackles on production," according to Bloomberg Economics (Bloomberg). The futures remain technically bullish and in trend but are now at key resistance with weekly momentum looking vulnerable. However, if the weekly RSI moves above 50 then the longer-term trend could be transitioning to the buyside. For more information on the technical please click on the link. Iron Ore Feb 22 (rolling Front Month) Key Resistance is Tested, Weekly Momentum is Vulnerable 26/01/22 <https://fisapp.com/wp-content/uploads/2022/01/FIS-Technical-Iron-Ore-26-01-22.pdf>

Copper

A bullish support candle formed yesterday after price held above the longer period moving averages on the daily technical, having tested to the downside the futures closed on their highs. The rejection candle yesterday has resulted in an upside move today with price trading above the bearish candle on Monday, however for the intraday technical to enter bullish territory price will have to trade above USD 10,051.50. The intraday technical is now considered as neutral/bearish based on the depth of the upside move.

Capesize

The index continues to move lower with price down USD 354 today at USD 5,826. In the futures price continues to base around the USD 10,000 level with the February contract USD 375 higher today at USD 10,625. As noted yesterday we do not consider the futures a technical sell even though we are nearly USD 5,000 above the index due to the seasonality chart. If we look at the daily chart on the rolling from futures you will see since the 24th of December three minor tests to the upside, this is highlighted by Adam Grimes in his book 'The Art and Science of Technical Analysis' (and potentially Daryl Guppy) as a potential exhaustion signal. Bearish but not considered a technical sell at this point unless the index remains at these levels for a sustained period.

Panamax

The index is USD 666 lower today at USD 15,888, from a technical perspective we remain bearish in the futures with an expectancy that the February contract will trade below USD 16,425. For more information on the technical please click on the link Panamax Technical Report 26/01/22 <https://fisapp.com/wp-content/uploads/2022/01/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-26-01-22.pdf>

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## Supramax

The index is USD 425 lower at USD 18,199 today resulting in the futures having to play catch up, price in the Feb contract is USD 675 lower at USD 18,750. From a technical perspective we remain bearish with the Supramax on the same Elliott wave cycle as the Panamax, suggesting the USD 17,425 low should be tested. Bearish and in trend, supported by stable longer-period moving averages that are well spaced.

## Oil

Brent oil surged above \$90 for the first time in seven years as investor appetite for risk assets returned and the market fretted over Russia-Ukraine tensions. Futures in New York rose as much as 2.6% with the global benchmark surpassing \$90 a barrel on Wednesday. Inventories at the largest U.S. oil hub fell 1.8 million barrels for the third week in a row while total domestic stockpiles rose modestly. The oil market's structure has surged in recent days, signalling tight supply (Bloomberg). As previously stated, downside moves should be considered as countertrend which has proven to be the case. The upside move to a new high would suggest we have entered wave 5 of the larger scale bullish impulse wave 3. In non-Elliott wave terms that means that market pullbacks are still considered to be countertrend. Bullish

Have a nice Evening

Edward Hutton