

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	19250	18200	-5.5%	Pmx 1 month forward	22375	21750	-2.8%
Cape Q222	25000	24350	-2.6%	Pmx Q2 22	24875	24312.5	-2.3%
Cape Cal 23	20800	20400	-1.9%	Pmx Cal 23	16425	16450	0.2%

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Smx 1 month forward	24125	24050	-0.3%	Brent	89.34	89.9	0.6%
Smx Q2 22	24550	24350	-0.8%	WTI	88.02	88.72	0.8%
Smx Cal 23	16225	16250	0.2%	Iron ore	137	144.55	5.5%

Data Source: FT and Bloomberg

## Iron ore

Iron ore in Singapore roared past \$140 a ton as shipments from Brazil fell to the smallest in years, tightening supply just China’s efforts to stabilize its economy brightened demand prospects. Heavier-than-normal rainfall in southern Brazil last month showed up in the country’s trade data, with January iron ore shipments shrinking to the lowest level in at least six years. The decline in supply comes as iron ore prices are on a tear, bolstered by expectations that China will boost infrastructure spending and further ease monetary policies (Bloomberg). The futures continue to move higher with the February contract trading to a high of USD 145.4, Price remained bid and looks to target the USD 147.25 high. Momentum is supporting a bullish move; however, a new high has the potential to create a negative divergence; this is not a sell signal but it is a warning that we could see a momentum slowdown.

## Copper

Copper came under pressure in the European session, but the pullback held above key support levels meaning we remain in bullish territory. The technically itself is bullish on the intraday having made a new high yesterday, the driving force this afternoon has come from dollar weakness after George Saravelos, stated tat the Euro is on the ascendant. The global head of FX research at Deutsche Bank AG. Previously bearish on the common currency, he’s now recommending a long position on the euro-dollar pair after European Central Bank President Christine Lagarde sounded a more hawkish note in comments to reporters Thursday (Bloomberg). Upside moves on the daily technical above USD 9,964 would put price in bullish territory warning the USD 10,065 fractal high could be broken, if it does break resistance, we could see a more sustained bull run as price has been in consolidation and producing random price movement for the last three months.

## Capesize

The Capesize index gained 0.9% today to rise USD 94 to USD 10,710. Chinese celebrations of the year of the tiger have kept the physical market suppressed, the slowdown in the index today had an adverse effect on the March futures. Price opened higher and traded up to USD 20,250; however, with price trading USD 10,000 above the index, the carry seems to have been too tempting for market sellers, resulting in the futures trading USD 2,000 lower to close today at USD 18,200. USD 17,250 is now the key support to follow, downside moves below this level would indicate the intraday technical has entered bearish territory. Tomorrow’s pivot point will be at USD 18,816, if we open below this level then we have potential to come under further selling

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## Supramax

After 31 consecutive days the index has produced a positive number with price moving USD 5.00 higher to USD 17,278. The March futures were the best performer of the day, having traded up to a high of USD 24,250 before closing USD 75 lower at USD 24,050. However, unless we see some very strong numbers after the Chinese New Year, we're going to have a problem, as to carry like the rest of the freight complex is excessive at USD 6,722. Key fractal support is at USD 22,900, downside moves below this level will be bearish on the Interstate technical. Technically bullish but hard to justify a technical buy at this point.

## Oil

OPEC+'s agreement to proceed with an output hike of another 400,000 barrels a day in March in a very short meeting is what we'd expected, though the actual increase the group can deliver is likely to fall short. Many member nations are struggling to raise output in-line with targets, which must catch up with a very strong demand outlook (Bloomberg). Although bearish based on price on the intraday technical the compressed EMA's on the 4-hour chart had suggested the trend was neutral/bearish. The upside move above USD 88.99 warned that the technical condition was starting to improve, whilst the move above USD 8,950 signaled that the intraday technical was bullish. Although bullish based on price. we continue to maintain our view that the 4-hour technical based on the moving averages continues to have a neutral bias, above USD 90.52 the futures will target the USD 91.70 high.

Have a nice Evening

Edward Hutton