

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	18750	21000	12.0%	Pmx 1 month forward	24675	25500	3.3%
Cape Q222	25375	26875	5.9%	Pmx Q2 22	26050	26650	2.3%
Cape Cal 23	20250	21000	3.7%	Pmx Cal 23	17250	17325	0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	27375	28425	3.8%	Brent	91.32	91.18	-0.2%
Smx Q2 22	26950	28400	5.4%	WTI	89.78	89.23	-0.6%
Smx Cal 23	17250	17425	1.0%	Iron ore	147.3	145.95	-0.9%

Iron ore

Data Source FIS and Bloomberg

China has renewed its campaign to keep commodities markets in check, as the government tries to prevent raw materials prices from overheating while it takes steps to stimulate a faltering economy. Iron ore futures in both Singapore and Dalian tumbled after China's top state planning body, the National Development and Reform Commission, and the market regulator summoned information providers to warn them against false price disclosure. The agencies also pledged to keep prices stable (Bloomberg). As noted on the morning technical the futures had entered a corrective phase but remained bullish above USD 141.15, momentum had warned that we were vulnerable to a move to the upside, as the RSI was above 50 whilst the stochastic was oversold. This has resulted in the futures finding buying support in the evening session with price USD 2.5 higher at USD 148.05. The futures remain bullish and could potentially be leaving its corrective phase.

Copper

Technically bullish but in a consolidation phase the futures have broken to the upside. A high volume move above the USD 9,906 level looks to have created an intraday short squeeze in the market, resulting in price trading to a high of USD 10,030, the driving force is once again historically low stocks. Copper stocks are once again approaching historically low levels with only 200,402 tonnes of available inventory officially held by the LME, Comex and SHFE, with New York responsible for more than half the total. That does not even cover three days of global consumption which, according to Goldman Sachs estimates surpassed 30 million tonnes for the first-time last year (Mining.com). If the futures trade above and hold above the USD 10,032 level, then we target the USD 10,128 resistance. Corrective moves lower that hold at or above the USD 9,825 level will further support a bull argument. Technically bullish.

Capesize

Technically bullish and in trend, the Q2 and Cal 23 contracts look to be on a wave 3 of a wave 3 (Elliott Wave) this supports a bull argument and suggests downside moves should be considered as counter trend. For more information on the technical please follow the link. Capesize Technical Report 09/02/22 <https://fisapp.com/wp-content/uploads/2022/02/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-09-02-22-1.pdf>

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Panamax

The index was up another USD 1,637 to USD 18,041. The March futures are up on the day by USD 825 at USD 25,500, meaning the disparity gap has narrowed to USD 7,459, still significant but better than it was. The trend remains technically bullish on the intraday above USD 23,022, below this level it will have a neutral bias. Technical pullbacks into a rising index should find buying support at lower levels, only below USD 21,425 will it be considered as bearish. Price has traded up to but not above the fractal resistance (USD 26,250) with the current daily candle showing a rejection to the upside. Tomorrow's pivot point is at USD 25,583, so the technical could be in balance on the open, if we open below it and trade below USD 25,000 then a technical pullback will potentially be in play.

Supramax

We are seeing a similar pattern to the Panamax in the Supramax index with price USD 1,946 higher at USD 21,018 today. The March futures are up over USD 1,050 at USD 28,425 but around USD 750 off its high, like the Panamax we have seen a narrowing in the disparity by nearly USD 1,000. Tomorrow's pivot point will be at USD 23,891, if we open unchanged overnight then the technical could be vulnerable to a test to the downside. The trend is bullish, and the index is now producing some strong numbers, suggesting downside moves should find buying support (at lower levels). Corrective moves lower that hold at or above USD 25,002 will support a bull argument, below this level the technical will have a neutral bias. All eyes on the open and the daily pivot point!

Oil

US commercial crude oil stocks declined by 4.8 million barrels during the week ended Feb. 4, after a 1-million-barrel drop in the previous week. The report was a surprise compared with the 1.5-million-barrel increase expected in a survey compiled by Bloomberg. The futures are in positive territory on the day (40 cents) but the technical itself is neutral/bullish due to the pullback. Overall, the reaction has been muted which leaves the technical a little vulnerable purely on the basis it is not going up on positive news.

Have a nice evening

Ed Hutton