

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	21000	22250	6.0%
Cape Q222	26875	27750	3.3%
Cape Cal 23	21000	21250	1.2%

	Previous Close	Current Close	% Change
Pmx 1 month forward	25500	25875	1.5%
Pmx Q1222	26650	27075	1.6%
Pmx Cal 23	17325	17325	0.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	28425	28300	-0.4%
Smx Q2 22	28400	27750	-2.3%
Smx Cal 23	17425	17300	-0.7%

	Previous Close	Current Close	% Change
Brent	91.8	92.33	0.6%
WTI	90.03	90.83	0.9%
Iron ore	145.95	154.15	5.6%

Data Source FIS and Bloomberg

Iron ore

As noted yesterday the futures remained technically bullish with momentum warning that we were vulnerable to a move to the upside. Price moved USD 2.5 higher in the evening session suggesting the futures could be leaving their corrective phase, this proved to be correct, resulting in price trading around USD 8.00 higher to USD 157.25. Having initially traded up to the USD 155 resistance in the morning session, we noted that there was a bearish divergence in the market, for this reason, although technically bullish we cannot advocate the futures as a technical buy. We now highlight USD 159.00 as a key level of interest, as it is the 50% retracement of the downside move from the USD 233.75 high to the USD 84.60 low. USD 159 is also the 100% Fibonacci projection level from the USD 84.60 low to the USD 129.45 high, projected from the USD 114.90 level, creating a Fibonacci overlap. If this level holds, we have potential to see the futures enter a corrective phase; however, if the futures trade above and hold above this level then the divergence will fail, and price will target USD 183.00 (potentially very quickly). Technically bullish there is reason to be cautious around these levels.

Copper

Signs of tightness across base metals persist, with copper held on major exchanges at “alarming levels,” representing just three days’ of global supply, according to Australia & New Zealand Banking Group Ltd. It should come as no surprise that all major industrial metals traded on the LME are in backwardation, bank says in report (Bloomberg). The tone was set yesterday with supply causing a scramble to own the futures, price traded above the USD 10,128 level to a high of USD 10,289, we now target the USD 10,398 Fibonacci resistance. Corrective move lower should be considered as countertrend, downside moves that hold at or above the USD 9,920 level will support a bull argument, below this level the technical will have a neutral bias.

Capes

Big numbers today in the index with price USD 3,321 higher to USD 15,789, if we trade above USD 15,960 the bearish trend will have a neutral bias. Above USD 21,118, price will have broken fractal resistance, at this point the index enters bull territory. The March futures opened bid to trade to a high of USD 23,750 before coming under selling pressure post index on some profit taking. Corrective moves lower that hold above the USD 18,800 level will support a bull argument, below this level the technical will have a neutral bias. Our intraday wave analysis would suggest that downside moves should be countertrend at this point, suggesting support levels should hold.

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Panamax

Yesterday we warned that the futures although technically bullish the futures were vulnerable to a corrective phase. Like Capes the futures the March contract moved higher on the open to trade up to USD 26,875 before selling off in the afternoon session, leaving us with a bearish rejection candle, warning we could soon enter the corrective phase that I mentioned yesterday. Downside moves that hold at or above the USD 23,235 level will support a bull argument, below this level the technical will have a neutral bias. Technically bullish with downside moves considered as countertrend. Point of note, another bullish index tomorrow will put price above the base of the symmetrical triangle that broke to the downside on the 17/01/22.

Supramax

Technically bullish, price looks like it is about to enter a corrective phase, for more information on the technical please follow the link. Supramax Technical Report 10/02/22 <https://fisapp.com/wp-content/uploads/2022/02/FIS-4-Page-TECHNICAL-REPORT-SUPRAMAX-10-02-22.pdf>

Oil

US benchmark oil prices climb to session-highs, recently up 2.1% at \$91.54 a barrel as the dollar index, which initially strengthened after the January CPI hit a 40 year high, turns south--down 0.3%. Sudden shifts in the US currency often cause an inverse move in oil prices since crude is bought and sold in dollars. The bullish sentiment in crude markets is also being driven by a weekly EIA report yesterday that showed US oil and fuel inventories, including government reserves, falling to a fresh, seven-and-a-half-year low (Bloomberg). It looked like the USD 92.61 resistance could hold today to push prices lower in the black gold; however, the futures were saved by the USD basket which initially bullish quickly gave up its early gains. For the futures the break in the resistance would suggest the USD 94.00 high could be tested. bullish

Have a nice evening

Ed Hutton