FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	20750	19125	-7.8%
Cape Q222	27625	26250	-5.0%
Cape Cal 23	21100	20825	-1.3%

	Previous Close	Current Close	% Change
Pmx 1 month forward	25675	24000	-6.5%
Pmx Q1222	27200	25950	-4.6%
Pmx Cal 23	17350	16950	-2.3%

	Previous Close	Current Close	% Change
Smx 1 month forward	28750	28000	-2.6%
Smx Q2 22	28750	27750	-3.5%
Smx Cal 23	17375	17075	-1.7%

	Previous Close	Current Close	% Change
Brent	95.1	94.46	-0.7%
WTI	93.9	93.29	-0.6%
Iron ore	149.45	147.05	-1.6%

Data Source FIS and Bloomberg

Iron ore

Iron ore futures in China extended their retreat to a second day after Dalian's commodity exchange raised transaction fees in Beijing's latest move to check the metal's rally. The steel-making material closed 3.5% on the Dalian after the bourse increased the fees for some iron ore futures and said efforts to supervise market order and halt the spread of false information would be stepped up. The Dalian Commodity Exchange said Friday that it would "punish all kinds of violations of laws" to ensure smooth market operations. That followed official warnings from Chinese authorities in recent weeks on false price disclosures and pledges to crack down on speculation (Bloomberg). The downside move in the futures have broken fractal support (USD 143.85), as noted on the E.U. report on Friday the technical looked very vulnerable and this proven to be the case. Upside moves in the futures that fail at or below USD 147.52 will leave price vulnerable to further tests to the downside. Technically bearish, based on the Chinese governments performance last year when price traded from USD 233.75 to USD 84.60, it is hard to put a bull argument in front of you.

Copper

Copper inventories slumped to the lowest in more than 16 years on the London Metal Exchange, with booming demand and supply-chain snarls leaving buyers exposed to shortages of one of the world's most important industrial commodities. Inventories dropped 2.5% to 72,225 tons on the bourse, continuing a steady run of declines that's stoking concerns that the copper market could soon be plunged into a major supply squeeze like one that roiled markets last year (Bloomberg). The trend remains neutral/bullish with price continuing to produce new lows for the third consecutive day, below USD 9,720 the technical will be considered as bearish. On the intraday we have now produced a positive divergence between the RSI and the futures warning of the potential for a momentum slowdown, which could result in price basing around these levels. Fundamentally we are bullish, but price is neutral.

Capesize

The index has failed to trade above the USD 15,960 level (high USD 15,789) leaving it vulnerable based on price. USD 509 lower today at USD 14,888, a close below USD 13,553 would mean that momentum is weakening based on price; we are currently 85% above the 5-year average value at this point. The March futures continue to hold above USD 18,800, below this level the futures will have a neutral bias. Concerns over growing tension between the Ukraine and Russia are weighing on the markets with black sea exports plummeting according to splash247.com, citing analysis from Drewry that more than 700 dry bulk vessels are loaded at Russian and Ukrainian ports each month. The technical remains in bullish territory with the RSI above 50 and the stochastic oversold, momentum is warning the technical is vulnerable to further tests to the upside. However, any escalation in tensions could drive the freight complex lower.

Panamax

The index continues to move higher but buyside momentum is starting to slow down with price USD 140 higher today at USD 20,427. A slowdown in the index has resulted in the futures entering a corrective phase, as noted on the morning technical we have a bullish 3-wave pattern to the downside with the RSI above 50 and the stochastic oversold, momentum is vulnerable to a test to the upside, providing the RSI holds above 50. If price can hold above the USD 23,319 level it will support a bull argument, below this level the technical will have a neutral bias. As noted in the Capes, geopolitical tensions remain a concern, most notably in the black sea. Bullish but in a corrective phase, key support to follow is at USD 23,319.

Supramax

The index continues to produce positive figures with price USD 765 higher today at USD 24,508, however this is a marked slowdown on last week. The futures continue to consolidate/correct with price USD 750 lower in the March contract, at USD 28,000. The technical remains bullish with intraday wave analysis suggesting that this downisde moves, like the rest of the freight complex is considered as countertrend at this point. However corrective moves below USD 25,144 would mean the futures have a neutral bias, only below USD 22,900 are we bearish. Technically bullish with price still in a corrective/ consolidation phase.

Oil

Brent crude rose 5 cents to $94.49 a barrel by 10:55 a.m. EST (1555 GMT), after touching its highest since October 2014 at $96.16. U.S. West Texas Intermediate (WTI) crude rose 46 cents to $93.56 a barrel, after hitting $94.94, the loftiest since September 2014. Comments from the United States about an imminent attack by Russia on Ukraine have rattled global financial markets. [MKTS/GLOB] Russia could invade Ukraine at any time and might create a surprise pretext for an attack, the United States said on Sunday. Moscow denies that it plans to invade and has accused the West of hysteria. Markets later cooled as Ukrainian Ambassador Vadym Prystaiko said Ukraine was prepared to make some concessions to Russia. "The developments in Eastern Europe will be crucial for the global market as Russia is one of the biggest crude oil producers with a capacity of about 11.2 million bpd (barrels per day)," said Nishant Bhushan, senior oil market analyst for Rystad Energy. "Any disruption of oil flows from the region would send Brent and WTI prices skyrocketing higher far above $100, in a market struggling to supply the increased demand for crude as economies recover from the pandemic (mining .com). Technically bullish, the downside move has held above USD 92.43, supporting a bull argument, below this level the intraday technical will have a neutral bias. It really is the same old story, the market remains bid due to geopolitical tensions, there is light at the end of the tunnel after the Ukraine hinted at concessions, which could see market longs take profit; however, tensions remain high and until they ease the futures are likely to stay supported. Hopefully there will be a de-escalation soon!

Have a nice evening

Ed Hutton