

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17875	16875	-5.6%	Pmx 1 month forward	24925	23725	-4.8%
Cape Q222	25375	24925	-1.8%	Pmx Q1222	26300	25450	-3.2%
Cape Cal 23	20250	20375	0.6%	Pmx Cal 23	17150	17000	-0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	29250	28050	-4.1%	Brent	93.5	95.63	2.3%
Smx Q2 22	28250	27500	-2.7%	WTI	92.1	94.53	2.6%
Smx Cal 23	17450	17325	-0.7%	Iron ore	136.5	140.4	2.9%

Data Source FIS and Bloomberg

Iron ore

China's efforts to cool a scorching rally in iron ore are now ensnaring some of the world's biggest commodities traders and producers. Powerhouses Glencore Plc and Trafigura Group are among 10 international and domestic trading houses summoned to the eastern city of Qingdao on Thursday by the National Development and Reform Commission, according to a notice seen by Bloomberg News. The meeting, organized by China's top economic planner, is aimed at ensuring a stable iron ore market, the notice shows. It's the latest step taken by Chinese authorities to try and curb a surge in the steel-making material that threatens to spur inflation. In recent weeks, there have been official checks at commodity exchanges and ports, an increase in futures trading fees and warnings against disinformation in the market (Bloomberg). As noted in the morning technical, upside moves that fail at or below the USD 142.91 level remain vulnerable to further tests to the downside, as the Elliott wave cycle remains bearish. Price traded to a high of USD 141.75 before entering a corrective phase. The March futures will close at USD 136.75 with an expectancy that the USD 127.90 low should be tested in the coming days. Technically bearish.

Copper

Copper inventories in warehouses tracked by the London Metal Exchange rose by 5,150 tons to 75,275 tons, according to data from the bourse. Increase driven by inflows in New Orleans and Rotterdam. Stockpiles rebound from lowest since November 2005 (Bloomberg). The upside moves in the futures has stalled at the USD 10,045 Fibonacci resistance level leaving the technical vulnerable to further tests to the downside. At this point price and momentum are aligned to the buy side, if the RSI can stay above its MA and price above the daily pivot point, we could still see the USD 10,123 level be tested; however, if P&M become aligned to the sell side then price will target the USD 9,720 fractal support. Neutral/bullish.

Capesize

the index is coming under pressure again with price USD 1,970 lower at USD 12,239, momentum is now considered as weak based on price. The March futures are down \$1,000 but crucially holding above the USD 16,250 support at this point. For more information on the technical please click on the link Capesize Technical Report 16/02/22 <https://fisapp.com/wp-content/uploads/2022/02/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-16-02-22.pdf>

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Panamax

The index is down USD 227 today at USD 20,038, if we close below USD 19,929 momentum will be seen to be weakening based on price. Having tested the upside yesterday, the March futures are again coming under pressure with the futures closing the day at USD 23,800, down USD 1,125. Downside moves below USD 23,303 will put a neutral bias on the market. On the daily technical we are seeing the RSI move below its moving average, however at this point the RSI is holding above 50, as is the average line. Tomorrow's pivot point will be at USD 24,083, upside moves that trade above this level on the open could warn of higher pricing; however, if we open below this level expect support levels to be tested. The technical is bullish based on price but now starting to look vulnerable, the futures will need to see price and momentum become aligned to the buyside early in the morning session, otherwise support levels could fail.

Supramax

The index is another USD 468 higher today at USD 25,515 which is keeping the futures in bull territory. The March contract remains bullish but are in a complex corrective phase at this point with the futures down USD 1,200 to USD 28,050; However, we remain bullish above USD 25,144 which is below the current index value. The Elliott wave analysis on the futures would suggest that we should trade above the USD 29,500 high, which would imply this downside move should be considered as countertrend at this point. The longer period moving averages (30-60) remain well spaced meaning the trend is stable, whilst intraday RSI continues to hold above 50. Technically bullish but in a corrective phase.

Oil

Oil rallied as U.S. and NATO officials reiterated, they've yet to see evidence of a Russian pullback and a government report showed U.S. fuel demand rising. West Texas Intermediate traded near \$95 a barrel on Wednesday, clawing back from the biggest one-day loss since November. U.S. officials said they haven't verified the claim that Russia is pulling back some troops. Moscow has repeatedly denied it plans to invade its neighbour (Bloomberg). The Brent futures have traded up to a high of USD 96.07 today as the game of cat and mouse continues in Eastern Europe. The 4-hour trend remains stable but, this isn't about the technical; yes, the longer-term trend is bullish, and yes this looks to be an extended Elliott wave 3, suggesting downside moves should be considered as countertrend. However, as we all know this market will fluctuate based on the news on the wire, the futures will remain supported until there is actual evidence of de-escalation, until then we remain technically bullish.

Have a nice evening

Ed Hutton