

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	19500	19200	-1.5%
Cape Q22	27625	26950	-2.4%
Cape Cal 23	21437.5	21300	-0.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	24750	24750	0.0%
Pmx Q1222	26750	26950	0.7%
Pmx Cal 23	17350	17375	0.1%

	Previous Close	Current Close	% Change
Smx 1 month forward	28625	28500	-0.4%
Smx Q2 22	28250	28475	0.8%
Smx Cal 23	17600	17450	-0.9%

	Previous Close	Current Close	% Change
Brent	92.97	93.08	0.1%
WTI	91.76	91.3	-0.5%
Iron ore	131.61	133.22	1.2%

Data Source FIS and Bloomberg

## Iron ore

Iron ore futures in China capped their biggest weekly loss since the middle of 2019 as Beijing stepped up its campaign to cool prices. The steel-making material has plunged almost 15% this week on the Dalian Commodity Exchange as authorities unleashed a mix of rhetoric, threats, and actions to quell a sizzling rally that began in mid-November. Futures in Singapore are down about 12% since Feb. 11 and are trading near \$131 a ton. Beijing's price-taming campaign is now turning its attention to what it describes as illegal hoarding. Authorities asked some traders to release "excessively high stockpiles" of iron ore and provide detailed information on recent inventory changes and trading prices. China said in a statement on Friday it will ensure supply of iron ore and seek to stabilize prices (Bloomberg). The futures traded to a low of USD 125.00, they did not hit our USD 123.61 support. Upside moves that fail at all below USD 136.05 remain vulnerable to further tests to the downside; However, as highlighted on the morning technical we believe key resistance is at USD 146.29 as the longer term technical is bearish. There was no semblance of Elliott wave on the upside move, which leaves me to believe that the USD 159 that the recent bull rally was part of a larger corrective phase. Based on the determination after Chinese government to crackdown on hoarding, alongside the longer-term technical, it is not inconceivable that over time we will test the USD 84.60 support.

## Copper

Stockpiles of base metals in warehouses tracked by Shanghai Futures Exchange expanded further this week after the Lunar New Year break, according to bourse data on Friday. Copper stockpiles +28% to 136,300 tons, up for a 5th week though they're still well below the five-year average for this time of the year (Bloomberg). Very limited price action in the futures move higher in the Asian session but failed to break above the USD 10,072 fractal resistance, meaning the technical continues to consolidate. Bullish/neutral.

## Capesize

The March futures traded to higher of USD 19,875 on the open before pulling back in the afternoon session. The trend remains technically bullish with the futures now starting to see some support from the index which is USD 1,888 higher today at USD 13,888. The trend is technically bullish supported by the RSI above 50; However, the paper will need to see more from the index as it is already trading at a \$5000 premium. The weekly technical remains bullish having traded down to a low of USD 16,550 we are closing the week above the midpoint at USD 19,200 it would have been nice to see price close above the USD 19,606 level as this would have put price in the top 25% of the weekly range. However, either way we've got a strong downside rejection pattern suggesting that we could see higher pricing next week, if we trade above USD 20,625 it would be a weekly breakout, leaving the futures to target the USD 23,750 high.

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## Panamax

The index has entered a consolidation phase with price now moving sideways, USD 87 higher today at USD 20,039. The March futures traded up to a high of USD 25,275 before closing the day unchanged with limited price movement, this has created a small rejection candle on the daily. However, price has traded above the USD 25,000 fractal resistance which supports a bull argument. Twice this week the trend support was tested and held, with the futures also holding above key support at USD 23,303, we remain bullish with an expectancy of higher pricing next week.

## Supramax

The index is now starting to slow down with price USD 12 lower today at USD 25,576, downside moves that close below USD 24,992 will mean that momentum is weakening based on price. The March futures are down USD 125 to USD 28,500 but remain in a consolidation phase, corrective moves lower that hold at or above USD 25,144 will support a bull argument. This technical remains bullish with the expectancy that price will trade above the USD 29,500 high, the random price movement we have seen in the last few days would support the future being in a corrective wave 4.

## Oil

Oil headed for the first weekly loss in two months as traders weighed heightened geopolitical tensions over Ukraine against the potential for Iranian barrels to be added to the market. West Texas Intermediate traded near \$91 after earlier falling as much as 3%. Prices of commodities from gas to metals and food have swung this week with every twist and turn in the stand-off between the West and Russia. After the U.S. ramped up warnings of a possible Russian attack on Ukraine, Russian officials continued to reiterate that no invasion was underway, and none was planned. U.S. Secretary of State Antony Blinken and Russia Foreign Minister Sergei Lavrov have agreed to meet for talks next week (Bloomberg). The futures are going to close the week lower, and this could be warning that we could be about to enter a corrective phase. However, we traded to a low of USD 90.12 today and are now trading above USD 93.00, this is a significant bullish rejection candle, if we maintain these numbers one would expect the futures to trade higher on Monday. Geopolitical tensions are not easing, making it a difficult argument to sell short, suggesting we are witnessing intraday noise and maybe some profit taking that has found support from longer term investors/speculative traders. Technically bullish, one suspects we could see another spike very soon.

Have a nice evening

Ed Hutton