FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COA

FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward				Pmx 1 month forward	25425	25000	
Cape Q222	28400	27875	-1.8%	Pmx Q1222	27875	27300	-2.1%
Cape Cal 23	21675	21350	-1.5%	Pmx Cal 23	17800	17500	-1.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	28875	28000	-3.0%	Brent	97.35	96.89	-0.5%
Smx Q2 22	28750	27700	-3.7%	WTI	91.66	93.03	1.5%
Smx Cal 23	17950	17925	-0.1%	Iron ore	141.2	136.3	-3.5%

Iron ore Data Source FIS and Bloomberg

Iron ore futures fell as investors weighed China's price-cooling measures against a possible ramp-up in steel production after the Winter Olympics and an improving outlook for the property market. The steel-making ingredient has been hammered in recent weeks by Beijing's efforts to clamp down on speculation. Authorities in the world's top buyer have checked port inventories, increased fees, and probed trading activity for signs of illegal hoarding. In its latest move, the government is considering conducting all overseas purchases of iron ore through a single state-backed platform, according to people familiar with the matter (Bloomberg). As noted in the morning report the futures failed to trade above the USD 141.75 resistance keeping the technical in bearish territory. The downside move on the intraday technical is holding above the USD 135.10 Fibonacci support, trade below USD 130.56 the futures will target the USD 125.00 low. Technically neutral/bearish, the futures continue to remain vulnerable.

Copper

Speculators have decreased their bullish LME copper bets by 3,880 net-long positions to 48,627, weekly bourse data on futures and options show (Bloomberg). One suspects that market bulls are cutting longs as their money will have better returns in other base products. The futures remain bullish/neutral with limited price action once again.

Capesize

The futures moved higher on the open but failed to break key resistance levels, resulting in a technical pullback. For more information on the technical please follow the link Capesize Technical Report 22/02/22 https://fisapp.com/wp-content/uploads/2022/02/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-22-02-22.pdf

Seasonality charts are on the app today. Capes, Panamax, Supramax, Cape v Panamax and Panamax v Supramax.

Panamax

The index produced good numbers today with price USD 1,397 higher at USD 22,030. The upside move in the index however did not get the same follow through in the March futures, price traded above our key resistance yesterday which would suggest we now target the USD 26,875 high. However, having opened higher, the futures came under pressure alongside the Capesize market, resulting in price closing the day USD 425 lower. Tomorrows pivot point will be at USD 25,291, so unless we get a bull open we could see weaker pricing. We are in the back end of Feb with the disparity gap at USD 2,970, which is manageable, however if we move lower tomorrow but get another bull index alongside todays numbers, we could see buying support come back into the market. Technically bullish but could be vulnerable on the open.

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Supramax

The index is USD 192 higher at USD 25,950 but the March futures have come under a little pressure alongside the rest of the freight complex. The futures look to be in a complex wave 4 having failed 3 times to trade above the USD 29,500. However, we maintain our view that the Elliott wave cycle suggesting there is another bull wave to come. Corrective moves lower that hold above the USD 25,144 level will support a bull argument. Like the rest of the freight complex the futures could be vulnerable on the open tomorrow to further tests to the downside, as the pivot point will be at USD 28,283 whilst we have closed tonight at USD 28,000. If we get a bull movement in Asian hours and open above the daily pivot, then expect the futures to have another test to the upside. Technically bullish but could be vulnerable on the open if we don't open higher.

Oil

Oil eased from earlier spikes as negotiations with Iran appeared nearer to a conclusion that could relieve global energy markets as mounting tensions between Russia and the West threaten to constrict supplies. Futures in New York traded near \$93 a barrel while Brent traded around \$97. The international benchmark zoomed toward \$100 a barrel on Monday, stopping at \$99.50, after Russian President Vladimir Putin signed an order to send what he called "peacekeeping forces" to two breakaway areas of Ukraine. The U.S. said it could announce new restrictions as soon as Tuesday. Financial sanctions could disrupt energy flows if they curb Russia's ability to trade in foreign currency (Bloomberg). Price has pulled back but continues to hold above the USD 94.92 level keeping the technical in bull territory. Downside moves below this level will mean the technical will have a neutral bias. Elliott wave analysis would suggest we could have another test opt the upside, but we will need to see a push into the U.S close, otherwise we will have a bearish rejection candle in play on the daily chart. Technically bullish, Iran could be a game changer, however the geopolitics are far from stable. I would suggest watching the news rather than the technical at this point!

Have a nice evening

Fd Hutton

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