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

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21050	17750	-15.7%	Pmx 1 month forward	26300	23050	-12.4%
Cape Q222	29050	25625	-11.8%	Pmx Q1222	28500	24750	-13.2%
Cape Cal 23	21750	19875	-8.6%	Pmx Cal 23	17925	16450	-8.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	29375	26750	-8.9%	Brent	97.54	102.23	4.8%
Smx Q2 22	29400	26500	-9.9%	WTI	92.24	95.54	3.6%
Smx Cal 23	18050	17075	-5.4%	Iron ore	138.6	139.1	0.4%

**Data Source FIS and Bloomberg** 

Iron ore

Another day of sideways action in the March futures as the market focuses on the crisis in the Ukraine. Price spent the day well supported around the USD 139.00 – USD 140.00 with the futures trading to a high of USD 141.65, 10 cents below the fractal resistance at USD 141.75. However, outside market hours the futures have come under pressure to close at USD 137.15. Technically we remain vulnerable to further downside moves below USD 146.29.

## Copper

Unlike the rest of the base complex, copper was slow to react to the news of an escalation of the conflict in the Ukraine. Price did eventually move higher to USD 10,076.50, however the upside moves has failed to hold resulting in the futures trading down on the day. The symmetrical triangle that has been in play has seen price trade to the upside and the downside, indicating the pattern is now obsolete. The technical remains neutral/bullish.

### Capesize

The outbreak of war in the Ukraine has had a detrimental effect of the freight market. The index has come in USD 1,595 lower at USD 16,586; however, the effect on the futures should give us an indication of how the index will react in the coming days. The March contract opened USD 800 lower but came under immediate pressure from European sellers. Price has traded USD 3,675 lower to close the day at USD 17,375. The futures will now target the USD 16,250 fractal support tomorrow, if broken the technical will be bearish, at this point we remain neutral/bullish. Market longs are unwinding, whilst we have fresh sellers or a risk of policy, putting further pressure on the futures. The technical may be bullish above USD 16,250 but there is no bull argument to put forward at this point.

## Panamax

Like the Capesize market, we witnessed an unwinding from market longs on the open with the March futures gapping lower, to trade down to USD 23,250 before closing at USD 23,750. The Elliott wave cycle remains bullish above the USD 23,118 and neutral below. However, wave analysis is based on the psychological footprint of the market, and that changed overnight, as shipping in the Black Sea has effectively halted, reports that one bulker being shelled (fortunately with no injuries), highlight the insurance risk of operating in the area. Technically bullish, momentum based on price is to the bear side, as is the RSI, which is now below 50 on the intraday technical. This technical is in bullish territory but is not considered a technical buy and likely to come under further pressure in the coming days.

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Oil

Prices for physical barrels of oil in some of the biggest trading hubs in the U.S. jumped to the highest levels against crude futures in nearly two years as buyers hunt for replacement barrels if Russian supplies are disrupted due to sanctions. Prices for U.S. crude grades in West Texas, Houston and offshore Gulf of Mexico surged to the strongest levels since 2020 just as Russian crude traded at a record discount amid concern about the risk of sanctions following the nation's invasion of Ukraine. Traders said that some of the U.S. grades may not be exact replacements for Russian crudes but the demand for oil available immediately is so great that it is pushing prices higher across the board (Bloomberg). The Brent futures traded to a high of USD 105.79 this morning before trading down to USD 102.58 into the European close. The impulse move higher would suggest that the Elliott wave 3 has extended which given the circumstances is unsurprising. Technically we remain bullish above USD 99.41 and neutral below on the intraday with downside moves considered as countertrend at this point. Technically bullish, we maintain our view that we target USD 107.11 in the near-term.

Ed Hutton

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