

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	10825	10950	1.2%	Pmx 1 month forward	12475	13425	7.6%
Cape Q1 23	5875	5875	0.0%	Pmx Q1 23	10575	11125	5.2%
Cape Cal 23	11325	11525	1.8%	Pmx Cal 23	11125	11700	5.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13375	13825	3.4%	Brent	94.77	96.23	1.5%
Smx Q1 23	10900	11425	4.8%	WTI	88.57	90.03	1.6%
Smx Cal 23	11425	11675	2.2%	Iron ore	80.2	82.15	2.4%

Iron Ore

Source FIS/Bloomberg

US-listed Chinese stocks rise on Wednesday as new unverified social media posts buoyed hopes for an economic reopening, even after China's National Health Commission reiterated firm adherence to the Covid Zero strategy (Bloomberg). It is normally a case of buy the rumour and sell the fact; however, even after the Chinese government have reiterated their intention to stick with COVID zero the futures have remained supported. Bullish? I guess that the fact that the futures have not reacted negatively is a positive signal, but with the stochastic overbought on the intraday whilst the RSI is below 50 having moved up from a new low, the technical is suggesting we could see another test to the downside. Let's see what the Asian day session brings. Note: we are still 8.00 USD below key resistance.

Copper

Copper drifted lower as investors braced for another bumper Federal Reserve rate hike, with the prospect of tighter policy offsetting a brightening outlook in China as speculation about a potential easing of the country's Covid policies continues to swirl. The Fed is expected to raise rates by 75 basis points on Wednesday as the central bank extends its most aggressive tightening campaign since the 1980s. Investors will also be scrutinizing comments by Fed chairman Jerome Powell to gauge whether the central bank plans to slow the pace of rate hikes going forward in response to weakening economic conditions (Bloomberg). The intraday technical remains bearish with a neutral bias whilst the daily chart continues to signal consolidation. The market will now wait on the Fed to see if they have anything interesting to say alongside the expected rate hike.

Capesize

The index continues to weaken with price USD 845 lower at USD 10,664 today. In the paper it has been a bit of a muted day with the Dec contract closing USD 125 higher at USD 10,950. The technical remains bearish, the index and rolling front month are nearly at equilibrium, intraday price and momentum are now aligned to the buyside. As noted on the morning report, caution on a downside move below USD 10,150 as this will create a positive divergence with the RSI. Not a buy signal, it does warn that we have the potential to see a momentum slowdown and a new low.

Panamax

The index continues to move lower, but we are seeing a momentum slowdown based on price, down USD 117 today at USD 13,813. The stochastic is an interesting factor on the index at the moment, why? For that you will need to read the technical report. Panamax Technical Report 02/11/22 <https://fisapp.com/wp-content/uploads/2022/11/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-02-11-22.pdf>

Supramax

Another poor index today with price USD 623 lower at USD 14,649. The futures however have fared better with the dec contract closing the day USD 450 higher at USD 13,825. We noted on the morning technical report that a close on the 4-hour candle above USD 13,375 will support a near-term upside move. We did close above this level resulting in a small push higher; however, the intraday RSI would suggest that the upside move looks to be countertrend with key resistance at USD 16,061. The technical is bearish below this level and neutral above.

Oil

Oil rallied as a government report showed US fuel stockpiles falling further to critical levels, intensifying supply concerns going into winter. West Texas Intermediate rose as much as 2% to a three-week high of \$90.36 a barrel on Wednesday. Prices rallied as gasoline inventories tumbled to the lowest since November 2014 and distillate inventories on the East Coast fell to the lowest ever seasonally, according to the Energy Information Administration. Pinched supplies are almost certain to drive up prices for gasoline and diesel, further straining household budgets (Bloomberg). Technically bearish on the intraday this morning, the futures failed to close below the 200 period MA. We have been a little cautious on Brent due to a neutral RSI and overbought stochastic on the daily chart. If the RSI closes below 50, momentum will suggest the technical is vulnerable to a test to the downside. Likewise, if it holds above 50 the stochastic is considered as less relevant. At this point the futures have moved higher with the daily stochastic now at 53; however, the FED is up in a few hours, so let's see where we close, as the USD could have some wild swings yet.

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