

# FIS European Close

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

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	10800	11500	6.5%	Pmx 1 month forward	12500	12625	1.0%
Cape Q1 23	6425	6525	1.6%	Pmx Q1 23	11125	11475	3.1%
Cape Cal 23	11650	11650	0.0%	Pmx Cal 23	12037.5	12225	1.6%

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Smx 1 month forward	12475	12675	1.6%	Brent	83.03	85.34	2.8%
Smx Q1 23	11100	11200	0.9%	WTI	78.2	80.29	2.7%
Smx Cal 23	12175	12300	1.0%	Iron ore	93.27	93.25	0.0%

Iron ore

Source FIS/Bloomberg

SINGAPORE -- Economic activity in China contracted further in November, adding pressure to a global economy already losing momentum as the war in Ukraine drags on and central banks raise interest rates to combat high inflation. Gauges of activity in Chinese manufacturing, services and construction deteriorated by more than expected this month, a sign of weakening economic output as authorities persist in using widespread curbs on business and daily life to respond to Covid-19 outbreaks. Auto makers in China, meanwhile, including Volkswagen AG and Honda Motor Co., have halted production at some plants as authorities persist in using strict measures to control the spread of the virus (Bloomberg). Interestingly, the bad news is not pushing the Dec iron ore futures lower, a positive indication in its own right, regarding the strength of the market. The futures remain in a bullish trending environment with price trading to a high of USD 102.80 in the evening session, before closing the day at USD 81.85. Near-term resistance is now at USD 104.02 and USD 106.65.

Copper

Copper is poised for its biggest monthly advance since April 2021, as investors bet China may shift from Covid-Zero policies and boost demand in the top metal-consuming economy. Prices have increased about 10% on the London Metal Exchange in November, snapping seven months of losses. China is pushing for greater vaccination of the elderly, driving speculation about a further easing of Covid-Zero rules that have taken a heavy toll on the economy (Bloomberg). We noted yesterday that the futures had produced a strong upside move on the open yesterday followed by a weak pullback, warning we could have another push on the Asian open. The open was uneventful; however, we did get a strong push later in the day with price trading to a high of USD 8,277, around USD 240 higher than the previous days close. The intraday technical is now bullish supported by the RSI above 50.

Capesize

We had a negative index yesterday, but for those that read the 4-page technical you will have seen that we believed that the pullback in the Dec futures looked to be countertrend. The index came in USD 447 higher today at USD 13,624 which means we have got the bullish move in the futures that we had been waiting for. The Dec contract has closed the day USD 1,075 higher at USD 11,875, the upside move above USD 11,694 means we now target the USD 12,400 high, a level we now expect to be tested and broken. The near-term upside target on the intraday technical is at USD 12,719.

## Panamax

Another positive day in the index with price USD 394 higher at USD 17,776. The futures have had a positive close today with the Dec contract closing USD 275 higher at USD 12,775. The index and the paper are now trading at an equilibrium, suggesting the futures are unsure of themselves. The downside move yesterday held the USD 11,703 level, supporting a near-term bull argument; however the futures remain below our key resistance at USD 13,270. Like the rest of the market, I am now a little unsure, due to the support level holding yesterday; ultimately, we remain bearish below USD 13,270 and neutral above, if resistance is broken it will ask a question regarding the longer-term bear cycle. The key resistance is starting to look a little vulnerable here, but until it is broken this technical remains vulnerable.

## Supramax

A negative index today with price moving USD 54 lower to USD 12,888. However, we are seeing warning signs that it is potentially basing, suggesting caution going forward. For more information on the technical please click on the link. Supramax Technical Report 30/11/22 <https://fisapp.com/wp-content/uploads/2022/11/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-30-11-22.pdf>

## Oil

Oil prices rallied after government data showed US stockpiles fell the most since 2019 while crude and product exports rose to record highs. West Texas Intermediate rose as much as 4% to over \$81 a barrel on Wednesday. US crude fell by 12.6 million barrels last week, according to an Energy Information Administration. The draw coincides with record US export crude and products exports. "Oil is starting to get its groove back and it looks like both supply and demand drivers could turn bullish for crude," said Ed Moya, senior market analyst at Oanda Corp. "If China's Covid rules are slowly eased and OPEC stays the course, crude prices could rally another 5-10% here" (Bloomberg). It was not really a clear technical this morning as price was trading around the secondary trend resistance having moved lower into the close yesterday. We are seeing a cleaner break this afternoon with price USD 2.32 higher at USD 8.35; however, we need to see a move above USD 86.87 to put the technical into bullish territory.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

[EdwardH@freightinvestor.com](mailto:EdwardH@freightinvestor.com)

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