



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	7175	7750	8.0%	Pmx 1 month forward	10925	11525	5.5%
Cape Q1 23	6475	7000	8.1%	Pmx Q1 23	11575	11800	1.9%
Cape Cal 23	11550	12025	4.1%	Pmx Cal 23	12475	12750	2.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10975	11400	3.9%	Brent	85.57	84.92	-0.8%
Smx Q1 23	11175	11350	1.6%	WTI	79.98	79.16	-1.0%
Smx Cal 23	12375	12600	1.8%	Iron ore	106.59	108.72	2.0%

Iron Ore

Source FIS/Bloomberg

Iron ore rose along with industrial metals on bets that China's moves to ease strict virus curbs will spur a demand recovery that will gather momentum into 2023. Chinese markets opened Monday in a bullish mood after authorities relaxed restrictions across the country and officials signaled a shift away from Covid Zero. That's on top of recent government measures to revive the beleaguered property sector that are generating optimism around the steel-making ingredient (Bloomberg). The Jan futures remain technically bullish with price trading to a high of USD 109.00 in the Asian day session before correcting in the evening session. The futures remain above all key moving averages supported by the RSI above 50, downside moves that hold at or above USD 98.37 will support a bull argument, below this level the technical will have a neutral bias. The RSI is now making new highs, suggesting downside moves should be considered as countertrend.

Copper

We noted on the morning technical that the futures remained bullish with price above all key moving averages supported by the RSI above 50, intraday price and momentum were aligned to the buy side. We have a near-term upside target between USD 8,600 and USD 8,606; however, we also had a note of caution due to the 1-hour RSI producing a negative divergence on Cu, Al, and Zn, as it was warning we had the potential to see a momentum slowdown. The futures have corrected for most of the day with price now trading flat to Friday's close. Downside moves that hold at or above USD 8,194 will support a bull argument, below this level the technical will have a neutral bias. We are now a cautious bull on the intraday technical.

Capesize

The index continues to move lower with price down USD 141 to USD 12,457; however, this is less than in recent days, signaling we could be seeing a momentum slowdown based on price. In the Dec futures it has been a relatively inactive day with price remaining in the symmetrical triangle highlighted on the morning report. The technical is bullish but this is a neutral pattern, however, we are testing the upper trend resistance, if we close the above USD 11,200 and hold above this level then the USD 12,400 high becomes vulnerable. If we fail to break to the upside, then by default support levels will be vulnerable.

Panamax

The index is USD 177 higher today at USD 13,405. We noted on the technical report this morning that the Dec futures looked like they could test trend support, and this has been the case; however, although breached, price is above the support line still, as the downside move has so far failed to hold. Tomorrow will make for an interesting open as price is softer on the day whilst testing a rising trend line. If we open below support (USD 12,938) and do not see early buying pressure, then expect either selling pressure, or bids to fade, as it will have bearish implications going forward.

Supramax

The index continues to weaken with price USD 41 lower at USD 12,736. However, this has had little impact on the Dec futures which traded up to USD 13,000 early on, before closing day at USD 12,750. This technical remains bearish but with a neutral bias, we do not consider it a technical sell at this point due to a series of positive divergences with the RSI. Downside moves below USD 12,507 will warn that the USD 12,250 support could be tested and broken. This will be another interesting technical on the open, especially if the Panamax opens below trend support, as the Supramax has the potential to be dragged lower by default.

Oil

We noted on the morning report that that momentum was vulnerable to a test to the upside. The futures did move over USD 2.00 higher on the intraday but has since come under selling pressure, with the 4-hour candle failing to close below trend resistance, resulting in a move to the downside. The RSI is now below 50, meaning the oversold stochastic is considered as less relevant, if we close around these levels (USD 85.71) then the USD 85.04 support will be vulnerable, below this level the intraday technical will have a neutral bias. The intraday is technically bullish but the daily is bearish, the rejection of the trend resistance is warning selling pressure could increase, making USD 85.04 the key level to follow.

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

EdwardH@freightinvestor.com