



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	7750	8550	10.3%	Pmx 1 month forward	11575	11675	0.9%
Cape Q1 23	7000	7450	6.4%	Pmx Q1 23	11925	12075	1.3%
Cape Cal 23	12025	12375	2.9%	Pmx Cal 23	12875	12925	0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11550	11675	1.1%	Brent	83	80.77	-2.7%
Smx Q1 23	11450	11800	3.1%	WTI	77.37	75.32	-2.6%
Smx Cal 23	12675	12925	2.0%	Iron ore	108.55	108.25	-0.3%

Iron ore

Source FIS/Bloomberg

The US and European Union are weighing new tariffs on Chinese steel and aluminum as part of a bid to fight carbon emissions and global overcapacity, according to people familiar with the matter. The move would mark a novel approach, as the US and EU would seek to use tariffs -- usually employed in trade disputes -- to further their climate agenda. US aluminum and steel producers climbed in extended trading, while in Hong Kong, Aluminum Corp. of China and China Hongqiao Group Ltd. Slipped (Bloomberg). We did have a small move to the downside in the Asian day session before moving back to the highs this evening. The Jan contract remains technically bullish with downside moves considered as countertrend. Key support is unchanged at USD 98.37 with a near-term upside target at USD 115.15.

Copper

Glencore Plc added its voice to a chorus of miners warning of coming copper shortages, arguing that a "huge deficit" is looming for the crucial industrial metal. Chief Executive Officer Gary Nagle said that while some people were assuming that the industry would lift supplies as it had in previous cycles to meet a forecast increase in demand driven by the energy transition, "this time it is going to be a bit different." He presented estimates showing a cumulative gap between projected demand and supply of 50 million tons between 2022 and 2030. That compares with current world copper demand of about 25 million tons a year (Bloomberg). The futures did have a test to the upside this afternoon, but the move has failed to hold with price potentially about to produce a 4-hour intraday rejection candle on trend support. Downside moves the close below USD 8,401 will warn that the USD 8,194 support could be vulnerable, the futures are bullish above this level and neutral below. If support holds and we trade above the high of the rejection candle (USD 8,495) then we target the USD 8,600 high. Price needs to hold here or support levels will be vulnerable.

Capesize

The index came in USD 317 higher today at USD 12,774, above USD 12,839 momentum based on price will be aligned to the buy side. However, expectations had been higher, resulting in the futures coming under a little pressure post index. The Dec futures have broken the symmetrical triangle to the upside, meaning we now target USD 12,719 and then USD 13,352. For more information on the technical please click on the link. Capesize Technical Report 06/12/22 <https://fisapp.com/wp-content/uploads/2022/12/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-06-12-22.pdf>

Panamax

Another bull index today with price USD 171 higher at USD 13,576. We noted yesterday that the Dec futures had the potential to open below trend support, which has been the case. However, there has been no real move to the downside with price moving sideways for the bulk of the day, but we do remain below the support line leaving the technical vulnerable. The futures are now at an inflection point with the technical countering the upside move in the index. If the index continues to move higher then we have the potential to close aback above the trend line, if we move lower then we should expect the index to slow-down, and potentially reverse.

Supramax

The index has stopped going lower with price moving USD 1.00 higher today to USD 12,737, we now need to see a close above USD 12,807 for momentum based on price to be aligned to the buyside. We have seen a small upside move in the technical with the Dec closing the day USD 150 higher at USD 12,900, the index and paper remain close to equilibrium. As previously noted, (repeatedly) the futures are not a technical sell; however, there has been little reason to buy it. We now need to see upside continuation in the index for the paper to move higher, as it is starting to average in, meaning it will not run too far without some form of sustained upside move.

Oil

Oil continued to retreat after Monday's plunge, with sentiment remaining fragile on signs that US interest rates could stay higher for longer. West Texas Intermediate fell below \$76 a barrel after a broad shift away from risk assets saw prices close 3.8% lower on Monday. The slump comes against a backdrop of ever-dwindling liquidity in the oil market. Brent open interest is at the lowest since 2015, with traders paring back positioning in the final month of the year (Bloomberg). We noted yesterday that the move above trend resistance had failed to hold, resulting in the futures moving below the USD 85.04 level. Technically bearish on the morning report, the rejection yesterday suggested support levels would be vulnerable, the futures have traded below intraday support levels and the USD 80.61 low. We now target the USD 77.65 level in the near-term.

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