

	Previous Close	Current Close	% Change
Cape 1 month forward	9250	10450	13.0%
Cape Q1 23	8850	9500	7.3%
Cape Cal 23	13750	14050	2.2%

	Previous Close	Current Close	% Change
Pmx 1 month forward	12850	12950	0.8%
Pmx Q1 23	12825	12937.5	0.9%
Pmx Cal 23	13575	13575	0.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	12075	12125	0.4%
Smx Q1 23	12100	12325	1.9%
Smx Cal 23	13150	13200	0.4%

	Previous Close	Current Close	% Change
Brent	80.68	82.5	2.3%
WTI	75.39	77.16	2.3%
Iron ore	108.88	108.62	-0.2%

Iron ore

Source FIS/Bloomberg

Iron ore dropped for a third day, extending a retreat from the strongest level in four months, as a rapid surge in virus infections following China's abrupt pivot away from Covid Zero raised fears of economic disruption. Outbreaks in China are expanding rapidly after the country abandoned its strict mass testing and isolation rules and embraced a faster-than-expected reopening. Traders are now trying to assess what the implications are for the economy and the prospects for a recovery in the beleaguered property sector (Bloomberg). The Jan contract remains below the trend line but continues to hold above the 34-period EMA. The technical bullish but corrective phase as the upside move has been limited so far. A close above USD 111.71 will put price back above the trend line, supporting a bull argument, downside moves that close on the 4-hour candle below USD 106.70 will warn that the Fibonacci support zone (USD 105.01 – USD 99.56) could come under pressure.

Copper

PERU: Peru's Las Bambas complex, one of the world's biggest copper mines, is running out of storage space because of protests that are blocking transportation. That threatens to disrupt the processing of ore, just as China, the largest consumer of the metal, is expected to ramp up demand as it eases Covid restrictions. For now, copper prices haven't moved much on developments in Peru, with futures little changed in London trading on Wednesday (Bloomberg). We noted yesterday that the technical was conflicting as the new high had created a negative divergence with the RSI, warning we had the potential to see a momentum slowdown. However, the new high also had bullish implications from an Elliott wave perspective as it warns there is further upside within this cycle. True to form on a conflicting technical, the futures have moved sideways today.

Capesize

The index is USD 1,017 higher today at USD 14,293. For more information on the technical please click on the link. Capesize Technical Report 14/12/22 <https://fisapp.com/wp-content/uploads/2022/12/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-14-12-22.pdf>

Panamax

We noted on the close report yesterday that downside momentum based on price was slowing, resulting in the index moving USD 86 higher today to USD 13,450. In the Jan futures the intraday negative divergence failed yesterday, with price moving higher today higher to close the day up USD 100, at USD 12,950. This may not seem a lot, and buy-side momentum could be slowing; however, it means the futures have made a new high, indicating both the intraday and daily technical are now bullish. The RSI is also making new intraday highs with price, suggesting downside moves could be countertrend.

Supramax

Another bullish index today with price USD 33 higher at USD 12,867; however, momentum based on price is slowing down. In the Jan futures we have seen limited price action, it is higher on the day with price breaching the USD 12,037 resistance, meaning the technical remains bearish but now has a neutral bias. Downside moves that hold at or above USD 11,581 will support a near-term bull argument, below this level we target the USD 11,250 support. Bearish with a neutral bias, we maintain our view that the futures are not considered a technical sell based on the Elliott wave cycle being on wave 5 of wave C

Oil

Oil sharply pared gains as US crude inventories grew more than expected by the most since March 2021. West Texas Intermediate traded near \$76 a barrel after earlier gaining as much as 2.2% to top \$77. US crude stockpiles rose more than 10 million barrels last week, according to an Energy Information Administration report Wednesday. The build comes after a key North American pipeline was shut after a spill that is poised to be one of the worst in the US since 2010. Stockpiles of gasoline and distillates, which includes diesel and heating oil, also grew (Bloomberg). The downside move in the futures failed to hold with price moving to new highs shortly after the drop. The futures are now trading at USD 82.65, with key resistance at USD 83.90 on the intraday technical. Upside moves that fail at or below this level will leave the technical vulnerable to further tests to the downside, above this level we have a neutral bias. For clarity we are talking intraday levels, key resistance on the daily technical is at USD 89.50. We maintain our view that this upside moves based on Elliott wave analysis looks to be countertrend.

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