



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	9575	9375	-2.1%	Pmx 1 month forward	11650	11275	-3.2%
Cape Q1 23	8625	8375	-2.9%	Pmx Q1 23	11850	11700	-1.3%
Cape Cal 23	12925	12975	0.4%	Pmx Cal 23	12875	12687.5	-1.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11625	11500	-1.1%	Brent	79.04	80.42	1.7%
Smx Q1 23	11475	11450	-0.2%	WTI	74.29	75.97	2.3%
Smx Cal 23	12850	12737.5	-0.9%	Iron ore	111.26	107.57	-3.3%

Iron ore

Source FIS/Bloomberg

Iron ore fell as virus outbreaks spread in China, stoking concern about disruptions to businesses and muddying hopes of a prompt improvement in the economy. Flareups across the country are tempering optimism about Beijing's stimulus plans, with media reports emerging of rising deaths and overwhelmed crematoriums. The lack of any comprehensive official data — with the government scrapping reporting of asymptomatic cases — is making it difficult for market watchers to assess how widespread infections are. Business confidence in December has plunged to its lowest in a decade as workers fall ill and citizens hunker down at home for fear of becoming infected, subduing demand (Bloomberg). The Jan futures remain in a corrective phase with price below the trend resistance but between the EMA support band. A neutral RSI and oversold stochastic is warning that momentum is vulnerable to a test to the upside; however, the RSI has closed the day at 49.8, if we move much lower on the Asian open then the stochastic will be considered as less relevant, warning support levels are vulnerable. Downside moves below USD 106.70 will also suggest that we could see the Fibonacci support zone come under pressure.

Copper

The intraday technical remains bearish having rejected the Fibonacci resistance zone on the open; however, the futures have moved sideways for the rest of the session. Price is below all key moving averages with the RSI below 50, upside moves that fail at or below USD 8,508 will leave the technical vulnerable to further tests to the downside, above this level we have a neutral bias. A close on the 4-hour candle below USD 8,270, or a move below USD 8,225 will warn that the USD 8,114 support could be tested. This is a key level for the technical, if it holds it will warn that we could have a larger bullish Elliott wave cycle in play, if broken, the probability of the USD 8,016 and USD 7,850 support levels being tested and broken will increase.

Capesize

The index has turned today with price USD 186 lower at USD 18,126. We have seen limited movement in the Jan contract due to the move in the index, price is closing the day at USD 9,375, down USD 200. However, with the move in the index being light, whilst the futures are trading at nearly a USD 9,000 discount, there is little reason for market sellers to keep pushing at this point. Price is holding above the USD 9,232 level, if broken then we target the USD 8,775 and USD 8,000 support levels. If we hold this level then it will support a near-term bull argument, with key resistance at USD 10,902. Upside moves that fail at or below this level will leave the futures vulnerable to further tests to the downside, above this level we have a neutral bias. The technical is bearish with a neutral bias, key support is at USD 9,232 but the real focus is now on the index. If we move higher or see only a small increment lower, then we could see a move to the upside. Likewise, if we do see a decent move lower in the index, then expect market sellers to test the support levels.

Panamax

The index is another USD 61 lower today at USD 13,472 leaving the futures to come under further pressure. The Jan contract has closed the day USD 300 lower at USD 1,350, meaning the key daily support is coming under pressure. Downside moves below USD 11,269 will mean we have a neutral bias on the daily technical, whilst below USD 11,225 the intraday technical becomes bearish, warning the USD 10,300 fractal support could be tested and broken. If it is, it will confirm we are on a new bearish intraday Elliott wave cycle. Upside moves that fail at or below USD 12,510 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 13,150 high. Bullish with a neutral bias, the index has turned lower with key support under pressure, suggesting we could see the intraday become bearish on the open tomorrow.

Supramax

The index is making new lows with price USD 115 lower today at USD 11,500. The technical is bearish but now in divergence with the RSI, not a buy signal, it is a warning we have the potential to see a momentum slowdown. Technically there has been little change in the Jan futures, we remain bearish with price closing the day USD 125 lower at USD 11,500, meaning the index and the futures are at an equilibrium. Key intraday support is at USD 11,250, if broken we target the USD 10,750 low; however, as previously highlighted, downside moves below this level have the potential to create a positive divergence with the RSI, not a buy signal it is warning we could see a momentum slowdown. Likewise, a move below USD 10,750 will create a second positive divergence, suggesting caution on downside moves at this point.

Oil

Oil struggled to find direction in low-volume trading as investors weighed a pledge from China to revive consumption against broader risk-off sentiment. West Texas Intermediate traded near \$75, swinging in a narrow range on Monday with trading volumes below the 30-day average. China's top leaders, including President Xi Jinping, will focus on boosting the economy in 2023. Market participants see the pledge as supporting energy demand even as Covid cases surge and the reopening process turns bumpy. Meanwhile, markets shied away from risky assets as the outlook for global growth has dimmed in the face of interest-rate hike. Crude markets are more susceptible to tracking broader markets as liquidity in the commodity declines before the holidays (Bloomberg). We have seen a bit of random price movement today; price is USD 89 cents higher at USD 79.93 going into the close, but the intraday has lacked direction. Low volumes on technical charts are never great as it makes the levels a little less reliable, suggesting caution going into the holidays. However, we maintain a bearish view with upside moves considered as countertrend at this point.

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