



# European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	#N/A N/A	6875	#VALUE!	Pmx 1 month forward	#N/A N/A	10425	#VALUE!
Cape Q1 23	#N/A N/A	9050	#VALUE!	Pmx Q1 23	#N/A N/A	11225	#VALUE!
Cape Cal 24	#N/A N/A	13875	#VALUE!	Pmx Cal 24	#N/A N/A	11925	#VALUE!

  

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	#N/A N/A	10550	#VALUE!	Brent	85.91	83.01	-3.4%
Smx Q1 23	#N/A N/A	10950	#VALUE!	WTI	80.26	77.66	-3.2%
Smx Cal 24	#N/A N/A	11950	#VALUE!	Iron ore	117.15	116.14	-0.9%

No freight prices on the matrix today do to the market being closed yesterday.

Source FIS/Bloomberg

## Iron Ore

Chinese steel demand may record a small decline this year due to the country's property market woes, Luo Tiejun, vice chairman of China Iron & Steel Association, said in a statement. He didn't give an actual forecast for 2023 but said demand would hinge on how quickly the property market rebounded and the economy's recovery from Covid-19, according to the statement that was based on a speech he gave to a Mysteel conference on Dec 30th. Government stimulus will also gradually benefit the steel industry (Bloomberg). The futures have rolled into the Feb contract but the technical remains in a bullish trending environment with price above all key moving averages supported by the RSI above 50. We remain in divergence with the RSI which will need to be monitored going forward, not a sell signal it does warn we have the potential to see a momentum slowdown. A close on the 4-hour candle below USD 114.70 will warn that support levels could be vulnerable. key support is now at USD 110.41.

## Copper

Copper rose on the first trading day of the new year as investors looked beyond weak Chinese economic data to the potential for more stimulus to support the world's second-largest economy. The metal has rebounded in the past two months as a steady stream of supportive policies in China and the abandonment of virus controls boosted the outlook for demand. Economists see a faster recovery once Covid peaks, with growth forecast to accelerate to 4.8% this year from an estimated 3% in 2022 (Bloomberg). The futures were supported on the Asian open but came under pressure when the Europeans entered the market before coming under further pressure on the back of USD strength. Technically bullish, we noted on the morning report that we had the potential to create a negative divergence above USD 8,520, this level has yet to be tested. Downside moves that hold at or above USD 8,346 will support a bull argument, if broken we have a neutral bias.

## Capesize

A bad start to the year on the index with price USD 5,188 lower at USD 13,561. For more information on the technical please click on the link. Capesize Technical Report 03/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-03-01-23.pdf>

## Panamax

The index continues weaken with price USD 869 lower at USD 11,608. The Roll into the Feb contract means that the futures have traded below the USD 10,300 fractal support, suggesting we are seeing a downside wave 5 extension, warning that the USD 9,225 low from late August is now vulnerable. upside moves that fail at or below USD 11,527 will warn we have the potential to see further tests to the downside, above this level the technical will have a neutral bias. bearish.

## Supramax

A hat-trick of bearish index's today with price coming in around 10% lower (USD -1,039) at USD 10,646. A bearish index alongside the roll into Feb has resulted in the futures trading to a new low, suggesting we are seeing some form of wave extension to the downside, meaning we now have a potential target as low as USD 9,582 in the near-term. Technically bearish, the futures are in divergence with the RSI, not a buy signal, it is a warning that we have the potential to see a momentum slowdown and will need to be monitored going forward.

## Oil

Oil declined under pressure from a stronger dollar, as traders assess how China's pivot from Covid restrictions would impact demand in the world's largest crude importer. West Texas Intermediate dropped as much as 2.7% to trade near \$78 a barrel, swinging in a \$3 range. Oil took its cues from the US dollar, which rallied, making commodities priced in the currency less attractive. China's economic data also weighed on oil as official data showed the economy ended the year in a major slump (Bloomberg). Technically bearish with a neutral bias this morning, the downside move below USD 83.22 means the USD 81.28 fractal support is now vulnerable, if broken Elliott wave analysis would suggest downside continuation targeting USD 78.28 and USD 75.11 levels.

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