

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	6875	7250	5.5%	Pmx 1 month forward	10425	10300	-1.2%
Cape Q1 23	9050	9250	2.2%	Pmx Q1 23	11225	11000	-2.0%
Cape Cal 24	13875	14175	2.2%	Pmx Cal 24	11925	12075	1.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10550	10050	-4.7%	Brent	82.1	78.7	-4.1%
Smx Q1 23	10950	10525	-3.9%	WTI	76.93	73.7	-4.2%
Smx Cal 24	11950	11850	-0.8%	Iron ore	116.14	115.06	-0.9%

Iron ore

Source FIS/Bloomberg

The Feb contract remains in a corrective phase with the futures closing the day USD 2.40 lower at USD 114.40. The trend remains technically bullish with key support unchanged at USD 110.41, the futures are bullish above this level and neutral below. The RSI is holding above 50 with price above the EMA support band; however, the stochastic is in oversold territory. Providing the RSI can hold above 50 then momentum will be vulnerable to a test to the upside.

Copper

Metals fell as Chinese demand continued to be hampered by a vicious wave of coronavirus infections, damping hopes of a rebound. Analysts had been flagging the potential for restocking by the country's industrial firms before the Lunar New Year holidays in late January. That's yet to materialize as the latest virus outbreak crimps economic activity (Bloomberg). Technically bullish with a neutral bias this morning we noted that intraday support levels were now looking vulnerable. The futures continued to move lower with intraday support now broken, meaning the 4-hour technical has entered bearish territory. However, the daily technical remains bullish above USD 8,114 and neutral below, price is now trading in its EMA support band (daily), suggesting caution as this is a natural area of support.

Freight Cal 24 v 25 spreads

Cal 24 v 25 are possibly worth a look, as all the sectors look to be trading at 3-year lows, undervalued? I'm not sure, but there is food for thought for potential shorter-term plays on the long side. Not advice, just highlighting!

Capesize

The index continues to move lower, but with price down only USD 986 to USD 12,575 this is a significant slowdown after yesterday's 5k move. The Feb contract and its RSI were both testing support on the European open, below USD 6,675 we had the potential to create a positive divergence, which needed to be monitored. The index slow down looks to have caught the market slightly off guard, as we have seen the futures move USD 500 higher. Technically we remain bearish, but cautious on moves below USD 6,675 due to the potential divergence.

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Panamax

The index is another USD 544 lower at USD 11,064 today. The technical remains bearish but we are seeing signs that would suggest caution. For more information, please click on the link. Panamax Technical Report 04/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-04-01-23.pdf>

Supramax

Another bearish index today with price USD 609 lower at USD 10,037; however, this is a significant slowdown compared to the 1k drop yesterday. The Feb futures remain in a bearish trending environment with the divergence failing on the open, meaning we have had to revise out Fibonacci levels. We now have a potential downside target at USD 8,437 with near-term support at USD 9,337. We are closing the day at USD 10,050 with tomorrow's pivot at USD 10,100, if we open above this level, we could see an intraday test to the upside. Likewise, if we open below it, then I suspect we will see more of the same with the futures looking to test the USD 9,337 level.

Oil

Oil's rough start to the year worsened as thin liquidity heightens volatility and China's Covid cases increase, overshadowing, for now, the country's reopening efforts. West Texas Intermediate fell as much as 5.3% to trade below \$73 a barrel. The plunge has come despite news that China's policymakers have made it a priority to boost economic consumption in 2023. The move would benefit crude and energy markets as China is the top crude importing country. Yet, low liquidity in markets and a rising death toll in China — with warnings of more casualties heading into the Lunar New Year — have hampered the commodity's strength. Traders flagged that the front month-spread deepening into contango reflects the market's softness (Bloomberg). I think the expression is, the futures are doing exactly what it says on the can. As noted on the morning technical the downside move on the open below USD 8,128 warned that the USD 78.28 and USD 75.11 levels were now vulnerable, resulting in the futures trading to a low of USD 77.90. We had an area of interest at USD 77.42 as this was the old trend resistance, this has now moved to USD 77.14, a close below this level will further strengthen a seller's argument. If we hold the trend, we may see some short covering enter the market.

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