

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	7250	7625	5.2%	Pmx 1 month forward	10300	10425	1.2%
Cape Q1 23	9250	9600	3.8%	Pmx Q1 23	11000	11150	1.4%
Cape Cal 24	14175	14525	2.5%	Pmx Cal 24	12075	12350	2.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10050	9925	-1.2%	Brent	77.84	79.17	1.7%
Smx Q1 23	10525	10450	-0.7%	WTI	72.84	74.13	1.8%
Smx Cal 24	11850	12375	4.4%	Iron ore	115.06	115.12	0.1%

Iron ore

Source FIS/Bloomberg

China's abandonment of Covid Zero is stirring hopes that a demand recovery in the world's biggest commodities importer will boost prices once the country gets over the current virus wave. Beijing's retreat from virus controls since early last month has aided sentiment across raw materials. Traders are piling into iron ore futures, copper is rising despite the prospect of recessions in the US and Europe, and there's talk of record annual soybean imports. China is also expected to buttress global oil demand this year (Bloomberg). The Feb futures continue to move sideways alongside the 34-period EMA with price closing the day USD .20 lower at USD 114.20. Technically we remain bullish with the RSI at 52 whilst the stochastic is oversold, momentum is warning that the future are vulnerable to a test to the upside providing the RSI can hold above 50. If it doesn't then the oversold stochastic becomes less relevant.

Copper

Copper bounces as Chinese stimulus plans lift demand hopes

Freeport McMoRan (NYSE:FCX) +2.1% pre-market Thursday as copper prices rebound to snap a four-session losing streak, following news about fresh stimulus plans in top metals consumer China. China's CCTV reported the Guangzhou manufacturing hub plans 1,722 projects in 2023 worth more than 6.5T yuan (~\$945B), after the city was hit by strict COVID-19 curbs late last year. Benchmark three-month copper (HG1:COM) on the London Metal Exchange recently +1.9% to \$8,406/metric ton after touching a two-month low on Wednesday on worries about a slowing global economy (Bloomberg). Technically bearish yesterday due to the intraday futures making a lower low, we had a note of caution as the futures were trading into the daily EMA support band, a natural area of support. The futures have moved higher with price closing the day up USD 142.5 at USD 8,394.5. The daily technical remains bullish.

Capesize

The downside move continues to slowdown in the index with price USD 102 lower at USD 12,473 today. The Feb futures had moved higher on the open, but we have seen no follow through post index, with price closing the day USD 375 higher at USD 7,625. Seasonality is weak at this time of year but from a technical perspective we feel we should draw attention to the similarity between the Dec Jan roll and the Jan Feb roll, both gapped lower causing the 8-period EMA to create a bubble away from the 21-period EMA, a warning sign that the futures are oversold, leaving resistance levels vulnerable. We could potentially just consolidate around these levels, but either way it suggests caution from the sell side.

Panamax

The index is USD 414 lower today at USD 10,650. We noted yesterday on the larger technical report that although bearish there were warning signs that would suggest caution on this downside move at these levels. The futures remain technically bearish, but we are seeing some support in the market, with price closing the day USD 125 higher at USD 10,425, the paper and the index are nearing equilibrium. A move higher in the RSI is now warning that downside moves below USD 9,975 will create a positive divergence with the RSI, not a buy signal it will warn that we have the potential to see a momentum slow-down and will need to be monitored. Likewise, if we start to see the futures close above index values, then the USD 10,844 – USD 11,476 resistance zone could come under pressure.

Supramax

The index continues to weaken with price USD 452 lower at USD 9,585. The Feb futures have done very little today with price opening flat and closing USD 125 lower at USD 9,925. For more information on the technical please click on the link. Supramax Technical Report 05/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-05-01-23.pdf>

Oil

Having moved nearly USD 10.00 lower in the previous two session the futures have had a little rebalance today, with price closing USD 1.32 higher at USD 79.16 (as of 16.36 GMT). This is potentially nothing more than a volatility adjustment and does not change our technical view, we still believe that we have the potential to trade down to the USD 65 level based on our long-term Elliott wave count.

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