

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	8625	8125	-5.8%	Pmx 1 month forward	10700	9950	-7.0%
Cape Q1 23	10450	10175	-2.6%	Pmx Q1 23	11425	10750	-5.9%
Cape Cal 24	15125	14850	-1.8%	Pmx Cal 24	12625	12475	-1.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10200	9850	-3.4%	Brent	78.57	79.82	1.6%
Smx Q1 23	10625	10262.5	-3.4%	WTI	73.77	74.98	1.6%
Smx Cal 24	12650	12575	-0.6%	Iron ore	117.82	117.08	-0.6%

Iron ore

Source FIS/Bloomberg

Having sold off in Friday’s evening session when the NDRC said they would crack down on market speculation, the Feb contract has found light buying support with price closing the day USD 1.35 higher at USD 117.00. The futures remain above the EMA support band with the RSI above 50, intraday price and momentum remain aligned to the buyside. However, upside moves that trade above USD 118.30 will create a second negative divergence, not a sell signal it does warn we have the potential to see a momentum slowdown on a new high. Meanwhile, the current move higher remains within the 4-hour bear candle from Friday, indicating buyside momentum is currently weak. The technical is bullish, but arguably it is not a technical buy at this point.

Copper

Base metals surged on optimism over China’s economic recovery, bets for a more dovish Federal Reserve and low exchange stockpiles. China will return to “normal” growth soon as Beijing steps up support for households and businesses, Guo Shuqing, party secretary of the country’s central bank, told state media. That’s adding to hopes that the government will expand measures to steady the economy in the wake of a massive wave of Covid-19 infections (Bloomberg). Technically bullish with the futures in divergence this morning, intraday Elliott wave analysis suggested that there was one more test to the upside to come in the near-term. There has been no intraday pullback with the futures continuing to move higher, the divergence that was in play has now failed. The futures remain technically bullish with downside moves still considered to be countertrend. Key support is at USD 8,529; price is bullish above this level and bullish/neutral below it. Only below USD 8,361 is the technical bearish.

Capesize

The index is USD 694 higher today at USD 13,237, a close above USD 13,361 will mean that momentum based on price is aligned to the buyside. On the technical report this afternoon we noted that the futures remained bearish and vulnerable below USD 9,654 and neutral above. On the morning report we noted that intraday momentum indicators were warning that the futures were vulnerable to a test to the downside, providing the RSI held below 50. The futures traded to a high of USD 9,025, the RSI did briefly close above 50; however, post index price moved USD 900 lower. Technically bearish the USD 7,519 level is key going forward; if it holds it will support a near-term bull argument, if broken we target the USD 6,750 fractal low. For more information on the technical, please click on the link. Capesize Technical Report 09/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-09-01-23.pdf>

Panamax

The index continues to weaken with price USD 441 lower at USD 9,916 today. We noted on the morning technical that the RSI was below 50 whilst the stochastic was in overbought territory, momentum was warning that the futures were vulnerable to a test to the downside. We rejected the USD 10,844 Fibonacci resistance with price closing the day USD 650 lower at USD 10,050 (400 lower than the morning report). Technically bearish we now target the USD 9,975 – USD 9,225 support zone; however, be aware that below USD 9,975 the futures will be in divergence. Not a buy signal it does warn that we have the potential to see a momentum slowdown; this time however, we have rejected a key resistance level (USD 11,476), meaning we could see enough follow through to test the USD 9,225 fractal low.

Supramax

The downside move in the index continues to slow with price USD 160 lower at USD 9,073. The Feb futures followed the index lower to close the day down USD 350 at USD 9,850. Technically our view has not changed from the morning report, we remain a cautious bear, as downside moves will create positive divergences between price and the RSI on multiple timeframes, suggesting the futures are not considered a 'technical' sell below USD 9,800.

Oil

The futures were moving higher on the European open and continue to remain USD 1.28 above Friday's close at USD 79.85. However, on the morning technical we marked this move as countertrend with key resistance at USD 83.80, the futures traded up to the USD 81.19 resistance (High USD 81.37), before selling lower. Technically we maintain a bearish view with upside moves considered as countertrend at this point. The RSI has moved below 50 with the stochastic in overbought territory, momentum is warning we could be about to see a test to the downside providing the RSI holds below 50.

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