

Panamax

There remains little change in sentiment in the index today with price USD 568 lower AT USD 8,801. The paper however is holding up surprisingly well with the Feb contract closing the day USD 150 higher at USD 9,775. Technically the futures are unchanged, we continue to target the USD 9,225 fractal low, but remain a cautious bear at these levels due to the positive divergence on the intraday technical.

Supramax

Sell side momentum in the index is starting to increase again with price USD 444 lower at USD 8,387. Price is now USD 1,500 below my downside target with the technical still looking weak. On the Feb contract, we are lower by USD 175 bucks today at USD 9,375 but the futures remain in divergence at these levels, meaning we remain a cautious bear and do not consider the futures a technical sell at this point. This doesn't mean the futures will not go lower, my view is purely a technical perspective; however, the market is clearly feeling this as well.

Oil

Oil shrugged off a large US crude stockpile build with traders focusing on China as it speeds up purchases ahead of the Lunar New Year. West Texas Intermediate rose more than 2% to trade near \$77 a barrel on Wednesday. US crude inventories rose by 18 million barrels last week, the biggest jump since February 2021, according to Energy Information Administration data. The superlative jump was largely anticipated by the market following a southern freeze that idled much of the US Gulf Coast's refining capacity (Bloomberg). I'll refer back to yesterday's closing comment, downside moves below USD 77.61 will create a positive divergence with the RSI, not a buy signal it warns we have the potential to see a momentum slowdown, suggesting the futures may need to move higher before they move lower on the intraday. The futures are moving higher with price around USD 2.50 up on the day at USD 82.60. USD 83.80 remains a key near-term resistance, as the futures are bearish below this level and neutral above, only above USD 87.00 is the intraday technical bullish. However, key resistance on the daily technical remains at USD 89.50, suggesting this upside move is still potentially just countertrend within a larger bearish Elliott wave cycle.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com