

# FIS European Close

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|                      | Previous Close | Current Close | % Change |                     | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 7625           | 7875          | 3.3%     | Pmx 1 month forward | 9775           | 9825          | 0.5%     |
| Cape Q1 23           | 9500           | 9450          | -0.5%    | Pmx Q1 23           | 10300          | 10500         | 1.9%     |
| Cape Cal 24          | 14625          | 14975         | 2.4%     | Pmx Cal 24          | 12475          | 12750         | 2.2%     |

|                     | Previous Close | Current Close | % Change |          | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 9375           | 9625          | 2.7%     | Brent    | 82.91          | 84.43         | 1.8%     |
| Smx Q1 23           | 9800           | 9925          | 1.3%     | WTI      | 77.71          | 78.99         | 1.6%     |
| Smx Cal 24          | 12475          | 12725         | 2.0%     | Iron ore | 122.05         | 122.05        | 0.0%     |

## Iron Ore

Source FIS/Bloomberg

Seaborne iron ore prices held steady on Thursday, with steel mills starting to slow down their restocking in the week before the Lunar New Year holiday. The Kallanish KORE 62% Fe index fell \$0.19/t on Thursday to \$124.22/dry metric tonne cfr Qingdao. The Kallanish KORE 65% Fe index was \$0.19/t lower at \$138.27/dmt cfr, and the KORE 58% Fe index declined \$0.22/t to \$107.59/dmt cfr. On the Dalian Commodity Exchange, May iron ore settled up CNY 8/t (\$1.18/t) at CNY 852/t, while on the Singapore Exchange February 62% Fe futures settled \$0.16/t higher at \$122.14/t. The same contract for 65% and 58% Fe futures closed up \$0.05/t to \$136.24/t and rose \$0.42/t to \$104.65/t respectively (Bloomberg). Slow and steady wins the day and that is the case with the Feb futures at this point. Price remains in a bullish trending environment and continues to grind higher. From a technical perspective little has changed since yesterday, the futures are still in divergence meaning we remain a cautious bull with a potential upside target at USD 126.92.

## Copper

Copper edged lower as traders weighed the outlook for the metal following a sharp gain to the highest in almost seven months on hopes for a demand surge in China. The metal burst through \$9,000 a ton on Wednesday on its way to the strongest five-day gain since early 2021. Optimism for China's economic rebound this year is mixing with speculation that the Federal Reserve will slow the pace of rate hikes (Bloomberg). We noted in the close report yesterday that the futures were likely to hit our USD 9,178 target could be hit today, which was nearly correct, it was hit before the U.S. close last night. A small pullback on the open was met with some volatility over the inflation data. We remain technically bullish but with the target being hit and the intraday RSI now in divergence, we are now cautious as the futures have the potential to enter a corrective phase soon.

## Capesize

Another bear day today with the index coming in USD 1,000 lower at USD 11,188. In the futures we have had another day of limited price movement with the futures moving USD 250 higher to close the day at USD 7,875. We have a bit of a technical stalemate going on, as the futures will be in divergence below USD 6,675 but are not considered a technical buy at this point. Technically bearish, I will plump for a neutral bias at this point. If we remain flat on the open, then you may get the q2 intraday technical in the morning rather than Feb, as there is no point repeating the same rhetoric for the third time.

## Panamax

The index is USD 380 lower today at USD 8,421, meaning we are seeing signs that sell side momentum is potentially in the process of slowing down; however, we will need to see a close above USD 9,677 for momentum to be seen to be improving based on price. The Feb contract has had a test to the upside today with the futures trading to a high of USD 10,125 with price supported by financials into the close just below this level. Technically we remain bearish below USD 10,249 and neutral above, we are seeing signs of life but will need to see more for the technical to be considered as bullish, as USD 10,750 is the intraday fractal that needs to be broken.

## Supramax

The index is USD 518 lower today at USD 7,869. For more information on the technical, please click on the link. Supramax Technical Report 12/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-12-01-23.pdf>

## Oil

The Federal Reserve is on track to downshift to smaller interest-rate increases following a further cooling in US inflation, though it's likely to keep hiking until price pressures show more definitive signs of slowing. Philadelphia Fed President Patrick Harker, speaking Thursday morning shortly after the Labour Department's release of consumer price data, said rate hikes of a quarter-percentage point "will be appropriate going forward," following bigger increases throughout most of 2022. Harker's comments echoed remarks a day earlier from Susan Collins, his counterpart at the Boston Fed (Bloomberg). The futures have moved higher on the inflation date with price trading above the USD 83.80 resistance, meaning the technical although bearish now has a neutral bias. Upside moves above USD 87.00 will mean the intraday futures are bullish; however, key resistance to follow is on the daily technical at USD 89.50, the longer-term wave cycle remains vulnerable below this level and neutral above.

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