

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	8950	7850	-12.3%	Pmx 1 month forward	10800	9900	-8.3%
Cape Q1 23	10650	9750	-8.5%	Pmx Q1 23	11150	10600	-4.9%
Cape Cal 24	15975	15700	-1.7%	Pmx Cal 24	13500	13225	-2.0%

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Smx 1 month forward	10025	9650	-3.7%	Brent	84.12	85.6	1.8%
Smx Q1 23	10187.5	10000	-1.8%	WTI	80.07	80.06	0.0%
Smx Cal 24	13400	13150	-1.9%	Iron ore	119.75	120.7	0.8%

## Iron Ore

Source FIS/Bloomberg

Iron ore hovered near \$120 a ton after Monday's plunge, as investors weighed China's latest vow to rein in prices against the nation's better-than-expected economic data. The steelmaking material has rallied more than 50% from the start of November, underscored by optimism that infrastructure and construction activity will rebound in China this year. The nation's gross domestic product grew 3% in 2022, higher than the median estimate of 2.7% in a Bloomberg survey of economists. While that's the second-slowest growth pace since the 1970s, better-than-forecast fourth quarter and December data add to optimism the economy may be primed for a recovery (Bloomberg). The futures held that EMA support band with the RSI moving back above 50, resulting in the futures moving higher. Upside moves that fail at or below USD 123.53 will leave the futures vulnerable to further tests to the downside, above this level the USD 126.10 high becomes vulnerable. However the MA on the RSI is now sloping lower, suggesting upside resistance levels could hold. Technically bullish, we maintain a view that the futures are not considered a technical buy at this point.

## Copper

Copper gained as the dollar reversed early gains, with traders assessing demand prospects ahead of the Lunar New Year and after China signaled its recovery could be bumpy. A gauge of the greenback was lower amid US bank earnings reports, helping lift commodities such as copper. China's economy expanded 3% last year, the second-slowest pace since the 1970s, although the latest growth readings were better than economists expected. Still, the economy is facing a challenging recovery after years of stringent Covid restrictions (Bloomberg). The corrective move yesterday has held above the USD 8,927 support, meaning the technical remains in bullish territory, below this level the technical has a neutral bias. Upside moves above USD 9,257 will imply we could be starting a new bullish wave cycle which would have bullish implications going forward.

## Capesize

The index failed to hold onto yesterday's gain with price moving USD 587 lower today to USD 10,287. We noted on the technical report yesterday that the upside moves in the Feb futures that failed at or below USD 9,696 will leave the technical vulnerable to tests to the downside, below USD 7,500 the USD 6,750 low will become vulnerable. The technical is bearish, the futures will need to break the fractal resistance at USD 11,150 to be bullish, we will also need to see a price close above and hold above the USD 11,300 level for price to go on a run.

## Panamax

The index is USD higher again today but needs to close above USD 8,531 for momentum based on price to be seen as strengthening. For more information on the technical please click on the link. Panamax Technical Report 17/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-17-01-23.pdf>

## Supramax

A similar downside move to yesterday with the index moving USD 133 lower to USD 7,727. The upside move in the futures yesterday means the technical is bearish but with a neutral bias; however the Feb futures followed the rest of the front month freight complex lower today with price down USD 300 to USD 9,725. The technical remains bearish, but our view remains unchanged, below USD 9,175 the futures will be in divergence, meaning we do not consider it a technical sell at these levels. The break in the USD 10,011 resistance, alongside a bullish MA on the RSI, would also suggest caution on downside moves at this point.

## Oil

The futures have push higher today with price flirting with the USD 87.00 resistance before coming under pressure late on. Price is USD 1.48 higher at USD 85.94 going into the EU close, if we trade above USD 87.00 then the intraday technical is bullish. A close on the 4-hour candle below USD 84.20 will warn that sell side momentum is increasing, warning support levels could be vulnerable. The intraday RSI is now in divergence with price warning we could soon see a momentum slowdown.

## Ed

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