

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	7850	7175	-8.6%	Pmx 1 month forward	9900	9725	-1.8%
Cape Q1 23	9750	9150	-6.2%	Pmx Q1 23	10600	10425	-1.7%
Cape Cal 24	15700	15425	-1.8%	Pmx Cal 24	13225	13125	-0.8%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9650	9650	0.0%	Brent	86.7	86.3	-0.5%
Smx Q1 23	10000	9912.5	-0.9%	WTI	81.04	80.67	-0.5%
Smx Cal 24	13150	13100	-0.4%	Iron ore	120.7	122.25	1.3%

Iron ore

Source FIS/Bloomberg

A bit of USD weakness came to the aid of Iron ore today, resulting in the Feb contract closing the day USD 1.70 higher at USD 123.40. We have breached the USD 123.55 resistance now, which in theory means that the USD 126.10 high is vulnerable. However, if this move has been on the back of USD dollar strength, then you should be aware that the USD basket is now in divergence with the RSI, not a buy signal, it does warn that sell side momentum in the USD could be waning, if it moves higher the iron ore complex could come under pressure.

Copper

Copper and zinc extended New Year advances as optimism around China's reopening and a weaker dollar brightened the demand outlook for base metals. Both metals have seen gains of more than 10% this month, rebounding from losses last year after China abruptly abandoned growth-sapping Covid-19 controls and growing expectations that the pace of US interest-rate hikes will slow (Bloomberg). The futures held support yesterday, we noted that an upside move above USD9,257 would mean the futures have started a new bull cycle. The futures have moved higher, meaning we look to be on a higher timeframe wave 3, suggesting we target USD 10,093 in the near-term.

US HRC

A steel technical today. US HRC Feb 23 (Rolling Front Month) 18/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-US-HRC-Technical-18-01-23.pdf>

Ferts

A Ferts technical also. Urea Middle East Feb 23 (Rolling Front Month) 18/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-Ferts-Technical-18-01-23.pdf>

Capesize

The index continues to move lower with price following the seasonality chart lower. As noted yesterday the Feb futures had rejected the USD 9,654 resistance, leaving the futures vulnerable to further tests to the downside, a move below USD 7,500 would leave the USD 6,750 fractal low vulnerable. The futures have continued to move lower with price breaking below the USD 7,500 support, we now target the USD 6,750 low, further support is at USD 5,712. Be aware that below USD 6,750 we have the potential to create a positive divergence with the RSI, not a buy signal it will warn we could see a momentum slow-down. However, it is not clear if we will diverge or not yet.

Panamax

We noted that the index needed to close above USD 8,531 for momentum based on price to be seen to be strengthening. Price is USD 27.00 lower today at USD 8,336, meaning it remains weak. A mixed day in the Feb futures with price trading below the USD 9,893 support on the open, the technical although bullish now has a neutral bias. Light buying support has failed to hold with price trading back to and closing on their lows post index. It is a bearish close and the USD 9,375 support is vulnerable; however, we will produce a positive divergence on a new low, meaning we still do not consider the futures a technical sell at this point, as the risk/reward does not look viable. Bullish with a neutral bias with support looking vulnerable, but not a technical sell.

Supramax

We have seen a slowdown in the index today with price USD 51 lower at USD 7,222, a close above USD 7,594 would suggest buy-side momentum is increasing. The Feb contract is flat on the day, our view on this has not changed, it is not a technical sell on a new low below USD 9,175 due to the divergence.

Oil

Oil advanced to its highest since early December on optimism of increasing global economic demand. West Texas Intermediate climbed as much as 2.7% to hit \$82.38, the highest since Dec. 5. Demand is expected to reach a record daily average this year with about half of the growth coming from a rebounding China's, the International Energy Agency said in its latest outlook. The US benchmark has rallied more than 5% since last week as the dollar weakens and equity markets grow stronger with traders betting that the Fed's tightening cycle is coming to a close. US producer prices dropped last month by the most since the start of the pandemic, the latest indication that inflationary pressures are waning (Bloomberg). Hutton (FIS) v's Currie (GS) is looking like a bit of a mismatch, the intraday futures have moved above the USD 87.00 level today, meaning the intraday technical is bullish, key resistance on the daily is now at USD 89.50 on the daily chart. However, there is a long way to go, the USD basket is in divergence on the 4-hour technical warning of potential USD strength ahead, whilst the 1-hour RSI in oil is in divergence. Based on the technical, I think there is a pullback coming in oil!

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