

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	7175	6725	-6.3%	Pmx 1 month forward	9725	9850	1.3%
Cape Q1 23	9150	8700	-4.9%	Pmx Q1 23	10425	10537.5	1.1%
Cape Cal 24	15425	15475	0.3%	Pmx Cal 24	13125	13325	1.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9650	9875	2.3%	Brent	84.64	85.76	1.3%
Smx Q1 23	9912.5	10150	2.4%	WTI	79.14	80.12	1.2%
Smx Cal 24	13100	13250	1.1%	Iron ore	122.25	123.65	1.1%

Iron Ore

Source FIS/Bloomberg

Iron ore rose for a third day after one of the biggest miners of the steel-making ingredient said it expected China's economic recovery to aid demand this year. BHP Group Ltd. Chief Executive Officer Mike Henry said that Beijing's pro-growth policies, including in the property sector, and the easing of virus curbs would support "progressive improvement" in the second half of this year. China would likely produce more than 1 billion tons of steel in 2023, he said (Bloomberg). As we approach the CNY we have seen price movement in the Feb contract narrow to just 55 cents. The futures moved higher on the open, but the move failed to hold, resulting in price close USD .10 lower at USD 123.30. Technically bullish, the market looks to be winding down for the holiday.

Copper

The corrective move yesterday has held the EMA support band but breached the USD 9,193 level, we are now bullish but with a neutral bias. The futures have moved higher into the European close, but the intraday RSI remains below its moving average. If our Elliott wave count is correct, then there is further upside within this cycle.

Capesize

The index continues to come under pressure with price USD 1,778 lower today at USD 7,404. The Feb contract followed the index lower with price down USD 450 on the day at USD 6,725. The move below USD 6,675 means the futures are now in divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown and will need to be monitored. We are now a cautious bear due to the divergence, 3-year seasonality charts would suggest we could base/turn higher around the 26/01.

Panamax

We had a small downside move in the index with price USD 31 lower at USD 8,305. Sell side momentum is slowing and the short-term average value is now at USD 8,379, a close above this level will mean momentum based on price is starting to strengthen. Sideways action in the futures today with the Feb contract closing USD 125 higher at USD 9,850. We maintain our view that the futures are not considered a technical sell at this level due to the positive divergence below USD 9,375, making the risk reward on the trade non-viable.

Supramax

Momentum based on price is slowing down with the index just USD 24.00 lower at USD 7,198. For more information on the technical, please click on the link. Supramax Technical Report 19/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-19-01-23.pdf>

Pmx v Smx

An intermarket technical today in Pmx v Smx with seasonality charts. PMX v SMX Technical Report 19/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-PMX-V-SMX-3-PAGE-TECHNICAL-REPORT-19-01-23.pdf>

Oil

Wall Street is sharply split on the prospect of oil hitting \$100 a barrel this year. This week, veteran analyst Jeff Currie at Goldman Sachs Group Inc. made an exuberant pitch for raw materials markets in 2023: “You cannot come up with a more bullish concoction for commodities,” he said. A cocktail of resurgent Chinese demand and chronic under-investment will send crude to \$105 a barrel or higher, he predicted. On Thursday came a rejoinder from JPMorgan Chase & Co.’s Natasha Kanava. Even though China’s economic reopening has improved the outlook, she said Brent futures will struggle to breach \$100 in the absence of a geopolitical event (Bloomberg). Some wild price action in the last 24 hours, we noted on the close report that we thought there was a pullback coming, which proved to be correct. The futures promptly dropped USD 3.00 into the close making me look like a superstar; however, success looks to have been short lived with the futures moving high in today’s session. USD 86.45 is the key intraday resistance to follow, if it holds we could see further downside, if broken we have a neutral bias on the intraday.

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