



European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	6725	6900	2.6%	Pmx 1 month forward	9850	10000	1.5%
Cape Q1 23	8700	8725	0.3%	Pmx Q1 23	10537.5	10625	0.8%
Cape Cal 24	15475	15675	1.3%	Pmx Cal 24	13325	13350	0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9875	9900	0.3%	Brent	86.38	87.38	1.2%
Smx Q1 23	10150	10275	1.2%	WTI	80.58	81.4	1.0%
Smx Cal 24	13250	13300	0.4%	Iron ore	123.65	126.3	2.1%

. Iron ore

Source FIS/Bloomberg

The market has wrapped up for the CNY; however, we have seen a move to the upside in the Feb futures with price trading to a new high of USD 126.30, meaning the RSI is now in divergence. We had a key technical level at USD 126.55 but how this will hold up with the domestic market closed I am not sure. In theory if we trade above USD 126.55 we are looking at some form of wave extension, but as I say, as the market is effectively closed the TA will be less reliable.

Copper

Copper continues to move higher with the intraday upside move further supporting a buyer's argument. However, the pull-back into the close on the 18/01 has pushed my oscillators out of line, raising some questions regarding the Elliott wave cycle. The technical is still bullish, but with a neutral bias, price is slightly higher on the day. If we look at the downside move on the weekly chart from USD 10,845 to USD 6,955, we can see that the 61.8% Fibonacci retracement is at USD 9,359, exactly where we are trading going into the close, suggesting a little caution here, as a rejection of this level will leave the futures vulnerable to a technical pullback. Likewise, a close above that holds above this level on the daily technical will further support a bull argument.

Capesize

The index is USD 875 lower today at USD 6,529 with the futures closing the week USD 175 higher on the day at USD 6,900 but USD 1,150 down on the week. The technical remains bearish with the intraday Feb futures below all key moving averages; however, the upside move yesterday was on the back of a positive divergence with the RSI, meaning from a technical perspective the futures are not considered a technical sell at this level.

Panamax

Sell side momentum is the index is slowing down but we still came in USD 97 lower at USD 8,208. For the Feb futures it has been an uneventful day, price moved higher on the open but gave back a little bit of profit post index, resulting in the futures closing the day USD 150 higher at USD 10,000. Technically the intraday is bullish with a neutral bias and like the capes the futures are not considered a technical sell at these levels, as below USD 9,375 price will be back in divergence with the RSI.

Supramax

Another slowdown in the index today with price USD 21 lower at USD 7,177. Like the Panamax, the futures initially moved higher before giving back early gains to close the day flat. We have seen the futures become range bound this week price trading between USD 9,400 and USD 9,600 as we approach the CNY. Technically we are bearish, but as highlighted in every other close report this week, the futures are not considered a technical sell due to the divergence.

Oil

Oil swung in a narrow range on Friday while still en route to a weekly gain on optimism over increased demand from China, the world's largest crude importer. West Texas Intermediate fluctuated around \$81 a barrel, while remaining on track for a 1% weekly gain. Bolstering crude this week were forecasts for record consumption in China, a buying spree from the country's largest oil trader, and increased crude imports ahead of the Lunar New Year (Bloomberg). An oil report today to highlight the inflection point in the market, as price is trading above the primary trend resistance going into the close, if they succeed and hold it up here then we could test USD 89.50 and potentially higher. However, if the bears can manage to push price back below USD 86.74 it could get a little messy. Elliott wave analysis is still bearish at this point. FIS Technical – Brent March 23 20/01/23 <https://fisapp.com/wp-content/uploads/2023/01/FIS-Brent-Morning-Technical-20-01-23-1.pdf>

Happy New year

Ed Hutton

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

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com