European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	5900	5425	-8.1%	Pmx 1 month forward	10025	9575	-4.5%
Cape Q2 23	13700	13150	-4.0%	Pmx Q2 23	14400	13925	-3.3%
Cape Cal 24	15750	15500	-1.6%	Pmx Cal 24	13600	13475	-0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9450	9225	-2.4%	Brent	86.33	85.83	-0.6%
Smx Q2 23	13900	13725	-1.3%	WTI	79.38	78.9	-0.6%
Smx Cal 24	13450	13450	0.0%	Iron ore	126.5	128.3	1.4%
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Iron ore

Source FIS/Bloomberg

Iron ore rose to a seven-month high as a drop in Chinese stockpiles added to optimism demand for the steel-making ingredient will rebound this year. Futures jumped as much as 3.3% to the highest since June before paring gains. Iron ore has been rising since early November on a stream of policies from Beijing designed to aid the property sector, and extended gains following the dismantling of Covid Zero. Inventories of iron ore at Chinese ports fell 0.6% in the week ended Jan. 27 from the period before. Short-term demand looks positive as steel mills mainly drew on existing inventories during the Lunar New Year break, necessitating a post-holiday replenishment, Holly Futures said in a note (Bloomberg). The futures continue to move higher with price above all key moving averages supported by the RSI above 50,. However, the RSI is now showing a negative divergence with price, not a sell signal it does warn that we have the potential to see a momentum slowdown. In terms of the Elliott wave count, we seem to have a wave 3 as the shortest wave, which right now does not make sense; it could be that we are in the process of some form of wave extension that is not yet clear, or it could be an anomaly due to the domestic market being closed for a week. Either way, the divergence would suggest caution at this point.

Copper

Copper edged lower as investors assessed the outlook for demand in top consumer China with the country's businesses resuming work after a week-long Lunar New Year holiday. China's economy showed muted improvement in January, according to an index of early indicators tracked by Bloomberg, while home sales during the Lunar New Year fell 14% from a year earlier. That's keeping copper in check, after a good start to 2023 on optimism over rebounding Chinese usage and a more dovish Federal Reserve (Bloomberg). Having moved lower on Friday the futures are now trading in the EMA support band on the intraday technical. The futures are bullish with a neutral bias having rejected the weekly resistance at USD 9,359, a close on the 4-hour candle below USD 9,191 will warn that the USD 9,026 support could be tested and broken. Likewise, a close above USD 9,365 would suggest buyside momentum is starting to strengthen, targeting the USD 9,550.50 fractal resistance.

Capesize.

The index is only USD 15.00 lower today at USD 4,418; however, this did not give the futures a boost with price coming under pressure late on to close the day USD 475 lower at USD 5,425 in the Feb contract. The technical is bearish. with the daily RSI in divergence and on support, suggesting caution at these levels. For more information on the technical please click on the link. Capesize Technical Report 30/01/23 https://fisapp.com/wp-content/uploads/2023/01/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-30-01-23.pdf

Panamax



The index is another USD 56 higher today with momentum based on price aligned to the buyside. The move itself continues to lack strength (conviction) at this point, suggesting we will need to see more from the index co convince that the futures can go on a run. The Feb contract is technically bearish but with a neutral bias having moved higher during the CNY; however, with a lack of activity in the Asian session after the holidays, the futures have come under pressure with price USD 400 lower at USD 9,625. A bearish close with the futures now testing a key support at USD 9,563; if we hold, it supports a bull argument. If it is broken, we target the USD 9,225 fractal support. As noted on numerous occasions, we are cautious on downside moves as a new low will create a prominent divergence with the RSI.

Supramax

Momentum based on price became aligned to the buyside on the index last Friday resulting in price moving USD 92 higher today, to close at USD 7,242. Although buyside momentum is increasing, the futures have come under pressure today with the Feb contract closing the day USD 225 lower at USD 9,225. Technically the futures are not a sell; however, the index is at USD 2k discount with the Feb futures about to price in, if the index does not continue to move higher at a sustained rate then we could see the USD 8,437 target be tested. Technically not a sell, but there is no reason to be long the Feb as it is looking vulner-able based on index valuations.

Oil

The futures have continued to come under pressure today but have failed to produce and intraday close below the primary trend line at USD 85.38; if we do then the USD 83.76 fractal support becomes vulnerable, below this level the intraday technical is bearish. Bullish neutral at this point due to the depth of the pullback, the primary trend looks like it will be key. Having previously broken trend and moved higher, we retraced, tested, and traded around it before moving higher again. If we fail to hold this time them market sellers will be emboldened as the futures have rejected the USD 89.50 resistance on the daily chart.

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