



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	5400	7800	44.4%	Pmx 1 month forward	9000	11600	28.9%
Cape Q2 23	13075	12875	-1.5%	Pmx Q2 23	13725	13475	-1.8%
Cape Cal 24	15325	15200	-0.8%	Pmx Cal 24	13300	13250	-0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9050	11700	29.3%	Brent	84.49	82.55	-2.3%
Smx Q2 23	13425	13125	-2.2%	WTI	78.87	76.29	-3.3%
Smx Cal 24	13225	13200	-0.2%	Iron ore	123.37	126.4	2.5%

Iron ore

Source FIS/Bloomberg

Bullish talk on the open on the back of Vale missing output targets has failed to support the futures. We have rolled into March pushing price small lower, however we have come under further pressure due to the bearish divergence that is in play. The March contract is USD 2.00 lower on the day with price now trading in the EMA support band for the first time since the 16/01. Technically we remain bullish. However the move below USD 125.30 would suggest that the USD 121.98 support is now looking vulnerable.

Copper

The futures had found bid support on the back of a weaker USD yesterday, resulting in the futures closing above the EMA support band. The RSI did move above 50 into the close but with price weakening on the Asian open it failed to hold, meaning we did not get a momentum push. Price has moved lower during the session with the RSI below 50 whilst the stochastic is showing a bearish cross, suggesting the USD 8,951 support could be tested and broken. Bullish neutral, market buyers will want to see a close above USD 9,289 as support looks vulnerable.

US HRC

US HRC March 23 (Rolling Front Month) 01/02/23 <https://fisapp.com/wp-content/uploads/2023/02/FIS-US-HRC-Technical-18-01-23.pdf>

Fertilizer

Urea Middle East Mar 23 (Rolling Front Month) 01/02/23 <https://fisapp.com/wp-content/uploads/2023/02/FIS-Ferts-Technical-01-02-23.pdf>

Capesize

The index had previously looked like it could be about to turn; however, price is USD 274 lower today at USD 4,137. Some size volume has been trading in the Feb futures around and just above the USD 5,000 level, which is interesting considering the low levels. The buyer's argument here is that we have limited downside, and if you consider that the index has only settled below USD 6,500 twice in the last seven years, it almost goes against the mentality of the market, considering the systemic risk generally to the upside. However, giving a balanced argument, the index is tracking 3-year seasonality lows, which right now does warn that the index could end up with a 2k handle. March is now the focus; it has come under pressure today with price closing USD 400 lower at USD 7,800 with the RSI now testing support. If we move down a timeframe to the 1-hour chart the RSI is in divergence, suggesting a little caution at these levels as it might be a little overextended.

Panamax

The downside move in the index yesterday had warned we could come under further pressure today, resulting in price moving USD 202 lower to USD 7,926. The Feb contract did respond negatively with price closing the day USD 275 lower at USD 8,725, March is now the focus as we are pricing in. The futures came under pressure on the open resulting in price trading to a low of USD 11,400; however, the downside move created a positive divergence with the RSI on the 1-hour technical, meaning we did get some light buying support into the close. We are technically bearish with the 4-hour RSI moving to new lows, suggesting upside moves could be countertrend here. Possibly a little undervalued, but not a technical buy.

Supramax

The index continues to move higher with price up another USD 112 to USD 7,481. The Feb is now pricing in so it will be a case of Math rather than technical now, the futures have closed the day USD 175 lower at USD 8,875, meaning the disparity is at USD 1,394. The March futures have closed the day USD 50 higher having seen some erratic price movement. We did move higher, but price has failed to hold for now, the technical is bearish, there are no divergences in play but the RSI is basing, warning sell side momentum could be slowing for now.

Oil

FIS against GS on the oil front is turning back our way, if you love an underdog you should be rooting for us right now. GS are calling USD 100, I'm calling USD 65.00, I'm sure they will be right, but we'll take the glory whist we can.

Oil edged lower as US stockpiles increased, signaling that supplies may be sufficient to weather the EU's latest ban on Russian products, while the Federal Reserve's interest rate decision loomed over broader markets. West Texas Intermediate slipped close to \$78 a barrel, breaking out of the narrow \$1 range it had traded in for much of the morning, after the Energy Information Administration reported that US inventories rose to the highest level since June 2021. Russia has recently "flooded" the market with crude products ahead of an EU ban on its refined products that goes into effect early this month, said Brian Kessens, a portfolio manager at Tortoise, a firm that manages roughly \$8 billion in energy-related assets (Bloomberg).

Technically bearish this morning, the roll put price above the primary trend line. However, price has failed to hold and is now below the primary trend and the 4-hour 200-period MA.

I'll take the win today!

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

EdwardH@freightinvestor.com