



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	8100	8700	7.4%	Pmx 1 month forward	10475	10800	3.1%
Cape Q2 23	13100	13675	4.4%	Pmx Q2 23	12800	13300	3.9%
Cape Cal 24	15125	15450	2.1%	Pmx Cal 24	13075	13325	1.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10400	10675	2.6%	Brent	83.69	84.35	0.8%
Smx Q2 23	12500	12750	2.0%	WTI	77.14	77.89	1.0%
Smx Cal 24	13100	13300	1.5%	Iron ore	120.96	121.37	0.3%

Iron ore

Source FIS/Bloomberg

We had a small bounce in the March futures on the Asian open with price trading to a high of USD 121.90. However, come the evening session we saw a light sell off with the futures closing the day still below the EMA support band at USD 121.05. As stated previously, the technical is bullish but with a neutral bias; however, we continue to see warning signs the USDD 118.40 fractal support could be vulnerable.

Copper

Price action in the futures today has been a little bit like my best friend's marriage, it started brightly with a lot of optimism, but ultimately ended in tears. The intraday technical is bearish whilst the daily is corrective, now this technical has just got a little bit complex, the upside moves this morning has rejected the EMA resistance band with the RSI below 50, whilst the stochastic is overbought, momentum and the EMA rejection would suggest that the USD 8,008 fractal support could be vulnerable. However, if you move over to the daily chart, we can see that the futures are trading in the EMA support band with the RSI above 50, whilst the stochastic is oversold. The higher timeframe momentum is warning that the futures are vulnerable to a test to the upside, providing the RSI holds above 50. So, where do we go from here? Well based on the upside rejection it does look like we could test the USD 8,008 low from a couple of days back, just don't get to carried away, as a new low will potentially create a positive divergence with the RSI. Not a buy signal it does warn that the futures are vulnerable to a momentum slowdown, suggesting the daily EMA support band could hold. You might want to sit on the sidelines and see how this one pans out before jumping in.

Freightos Index and the Freightos Index v's Supramax 10 TC average Spread

Freightos Index v's Supramax 10 TC average 08/02/23 <https://fisapp.com/wp-content/uploads/2023/02/Freightos-Index-v-Supramax-index-TECHNICAL-REPORT-08-02-23.pdf>

Capesize

Two days of upside moves in the index is leaving market shorts a little on edge right now, price is USD 250 higher at USD 3,927, momentum based on price is now aligned to the buy side. The March futures moved higher yesterday, the close on the 4-hour candle above USD 7,450 warned that resistance levels could be vulnerable and this has proved to be correct. With the futures trading above the USD 8,346 level this afternoon, the intraday technical is now bearish/neutral. We have closed the day at USD 8,700, above USD 8,950 the technical will be bullish on the intraday. Remembering that Feb index has settled below USD 6,500 only twice in the last seven years, there will be some short exposure that will need to be covered, and quickly, if index momentum continues to increase.

Panamax

Another bearish move in the index today with price USD 102 lower at USD 6,368, sell side momentum is starting to slowdown here. The March futures like the Capes have short exposure that is currently forcing the futures higher. However, our intraday wave analysis would suggest we still have the potential for one more tests to the downside. Now the futures have a lot of wiggle room here, as key resistance is at USD 11,960; Price is bearish below this level, but has a more neutral bias above, as the pullback would be considered as deep. What we do have is an RSI below 50 with the stochastic in overbought territory, momentum is warning that the futures are vulnerable to further tests to the downside, suggesting caution at this point. We should note that most trends start with short covering, so I could be wrong, we will need to see a significant upside move for the technical to suggest the tide has turned. We still lean to the bear side, but we are seeing shorts cover in line with the seasonality chart, so as always, I will put a note of caution out there, as seasonality in shipping can be a very compelling argument.

Supramax

The index continues to weaken with price USD 182 lower today at USD 7,159. Like yesterday, we are following the rest of the complex higher, and like yesterday, my intraday wave analysis is warning that this upside moves looks to be countertrend. However, as I have just stated in the Panamax, I am mindful of the seasonality charts here as we are turning bullish right on the button, which suggests caution. Wave analysis is good, but it is not definitive, we are not technically bullish yet and still have an expectancy of one more move lower, if we trade above USD 11,848 the probability of the futures trading to new lows will decrease.

Oil

After Saudi hiked prices in Asia yesterday, we had a strong move higher that took the near-term intraday technical into neutral territory. Price is now holding above the 200-period EMA which is supporting a bull argument whilst the move higher today has put price above the primary trend resistance. If we trade above USD 86.21 then the USD 89.50 resistance on the daily technical will become a target for market buyers. Likewise, if we close below and hold below the 200-period EMA (USD 83.59, also the primary trend is around this level) then market sellers will look to test the USD 81.05 support. The MA on the RSI is pretty bullish right now, suggesting buyside momentum is still solid on the intraday going into the close.

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