

# FIS 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	7625	7550	-1.0%	Pmx 1 month forward	10525	9650	-8.3%
Cape Q2 23	13275	13325	0.4%	Pmx Q2 23	13125	12750	-2.9%
Cape Cal 24	15150	14875	-1.8%	Pmx Cal 24	13125	13050	-0.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10450	9825	-6.0%	Brent	86.39	86.15	-0.3%
Smx Q2 23	12750	12300	-3.5%	WTI	79.72	79.51	-0.3%
Smx Cal 24	13150	13050	-0.8%	Iron ore	124.72	120.38	-3.5%

Iron ore

Source FIS/Bloomberg

Large steel mills in southern Turkey are expected to remain shut for weeks, with production lines idle and workers trying to cope with the impact of the massive twin earthquakes that shook the region. About a dozen facilities in Iskenderun and Osmaniye — close to the epicenter of the Feb. 6 temblors — account for a third of national steel output, according to Veysel Yayan, secretary-general of the Turkish Steel Producers Association. Although plants in the area suffered no physical damage, many workers or their family members had died, while survivors struggle to get by in makeshift conditions, he said. “All steelmakers in the area are closed,” he said by phone on Monday. “The plants may remain shut at least until the end of this month, or possibly until mid-March.” (Bloomberg). The March futures have rejected the USD 125.72 resistance resulting in a move to the downside with price USD 3.60 lower at USD 120.55 going into the close. Downside moves below USD 118.40 will mean the daily technical is bearish. However, we have a small note of caution as downside moves the trade to a new low have the potential to create a positive divergence on the intraday technical, not a buy signal it does warn we could see a momentum slowdown and will need to be monitored.

Copper

Freeport-McMoRan Inc. suspended operations at its Grasberg copper mine in Indonesia due to landslides in a fresh blow to metal supplies amid disruptions in Latin America. Mining and processing operations were halted at the world’s No. 2 copper mine after heavy rainfall on Saturday led to flooding and flow of debris, damaging structures near a milling complex. Freeport expects operations to resume by the end of this month. (Bloomberg). The futures traded to a low of USD 8,817 on the open, meaning we have yet to trigger a positive divergence with the RSI. However, the market did find buying support with price trading back up to the intraday EMA resistance band, we are going into the close USD 86.50 higher at USD 8,944. Technically we remain bearish, but as previously noted, the futures have the intraday resistance band above with the daily support band below, implying the technical has a neutral bias at this point.

Capesize v Panamax Technical

Cape v Pmx Technical Report 13/02/23 <https://fisapp.com/wp-content/uploads/2023/02/FIS-CAPE-V-PMX-3-PAGE-TECHNICAL-REPORT-13-02-23-1.pdf>

Capesize

The index is another USD 4,432 higher today at USD 4,432. The March futures are flat on the day at USD 7,650, at this point we remain cautious of downside moves, as below USD 7,150 we have the potential to create a positive divergence with the RSI. For more information on the technical please click on the link. Capesize Technical Report 13/02/23 <https://fisapp.com/wp-content/uploads/2023/02/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-13-02-23.pdf>

## Panamax

We have seen a small move to the downside in the index today with price USD 15 lower at USD 6,428. As noted previously, we had this upside move in the March futures as countertrend based on our intraday Elliott wave analysis. The futures came under pressure on the open with price trading to a new low of USD 9,625, we close the day USD 875 lower at USD 9,650. 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. Technically bearish, in divergence, with a potential downside target as low as USD 8,483 based on our Fibonacci projection levels.

## Supramax

The index continues to slide with price USD 35 lower at USD 6,874. The March futures came under pressure early on with price trading to new lows in the morning session. As noted on Friday's close report, the upside move had failed to hold warning we could trade lower today. Like the Panamax the RSI is now in divergence with price which will need to be monitored; we have a potential downside target as low as USD 9,004. However, the futures are now in divergence with the RSI which will need to be monitored.

## Oil

Oil edged down in an erratic trading session as the return of oil exports out of Turkey allayed immediate concerns over a looming reduction in Russian supply. West Texas Intermediate futures briefly mustered a rally to erase a drop of 1.6% before succumbing under the weight of returning volumes. Loadings of Azeri crude at the Turkish port of Ceyhan resumed Sunday, ending a major supply disruption following last week's devastating earthquake. On Friday, Russia announced it would slash its output by half a million barrels a day. The decision led to a significant uptick in bullishness in the options market, while firming up time spreads. The European Union said Russia was forced into the cut as sanctions have restricted Moscow's ability to find buyers (Bloomberg). The intraday technical is bullish with the futures trading to a low of USD 85.10 (21-period EMA 85.17) before finding light bid support going into the close (E.U close USD 85.88). Downside moves that hold at or above USD 84.35 will support a bull argument, below this level the intraday technical will have a neutral bias. Only below USD 83.05 are we bearish. Key resistance on the longer-term technical is at USD 91.24 (revised higher on Friday's daily technical), the Elliott wave is bearish below this level and neutral above. If we do trade above USD 89.09 it will warn that we have the potential to enter neutral territory on the higher timeframe.

## Edward Hutton

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

EdwardH@freightinvestor.com