

| | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|
| Cape 1 month forward | 6850 | 6625 | -3.3% |
| Cape Q2 23 | 13200 | 13000 | -1.5% |
| Cape Cal 24 | 15100 | 14950 | -1.0% |

| | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Pmx 1 month forward | 9200 | 9350 | 1.6% |
| Pmx Q2 23 | 12325 | 12500 | 1.4% |
| Pmx Cal 24 | 12875 | 12850 | -0.2% |

| | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|
| Smx 1 month forward | 9900 | 10275 | 3.8% |
| Smx Q2 23 | 12275 | 12575 | 2.4% |
| Smx Cal 24 | 12925 | 13050 | 1.0% |

| | Previous Close | Current Close | % Change |
|----------|----------------|---------------|----------|
| Brent | 85.58 | 84.65 | -1.1% |
| WTI | 79.06 | 77.94 | -1.4% |
| Iron ore | 122.45 | 123.29 | 0.7% |

Iron ore

Source FIS/Bloomberg

An “optimistic” China will rebound from the Covid Zero downturn, prompting sustained demand for raw materials, according to the head of the world’s fourth-biggest iron ore producer. “I see a Chinese economic growth story,” Andrew Forrest, executive chairman of Fortescue Metals Group Ltd., said in an interview on Bloomberg Television. “It might not be as high as the great old days, but it will still have economic growth which other countries would give their left arm for.” (Bloomberg). Little price movement in the March futures today with price closing USD .65 higher at USD 123.45. The intraday RSI is near neutral at 51 with the stochastic nearing overbought territory, we remain below the USD 125.72 resistance at this point which means the technical remains vulnerable.

Copper

Copper eased with most metals as investors weighed threats that lingering inflation poses to growth and a slower-than-expected rebound in China’s economy. The price of copper — often seen as an economic bellwether — hit a seven-month high in January on optimism around China’s reopening, but the lack of a strong wave of physical demand has since sowed caution. The red metal is steady near 5-week lows in London trading as hot US inflation data on Tuesday stoked fears that central banks will keep pushing rates higher in the months ahead (Bloomberg). The technical has been a bit more interesting today with the futures trading below the USD 8,808 support. The intraday technical is now in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown. The daily technical is still trading in the EMA support band, suggesting caution on downside moves, as we could be vulnerable to a move to the upside.

Capesize

Another sizable drop in the index today with price USD 537 lower at USD 2,630. Having seen light bid support into the close yesterday, the futures came under pressure on the open. We remain in a bearish trending environment with price below all key moving averages; however, as highlighted on the morning report the futures are now in divergence with the RSI, not a buy signal it warns that we have the potential to see a momentum slowdown, leaving us a cautious bear at this point whilst the divergence that is in play. If the futures continue to move lower and the divergence fails, then we have the potential to trade as low as USD 5,718.

Panamax

Another weak index today with price USD 158 lower at USD 6,137. The downside move in the futures yesterday created a positive divergence with the RSI, resulting in the futures finding bid support into the close yesterday. We have seen a small upside move today with price testing the 8 period EMA which is currently holding. The MA on the RSI remains weak, suggesting resistance level could/should hold if tested in the near-term, warning support levels remain vulnerable at this point.

Supramax

A positive index today with price USD 139 higher at USD 7,038, momentum based on price is now aligned to the buy side. For more information on the technical please click on the link. Supramax Technical Report 15/02/23 <https://fisapp.com/wp-content/uploads/2023/02/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-15-02-23.pdf>

Oil

Oil traders are flummoxed by how the US government is making the math work in its closely watched weekly oil data. The Energy Information Administration's adjustment number swung by the most on record this week. The figure is used by the agency to make up the difference between reported stockpiles and those implied by production, refinery demand, imports, and exports. It jumped to nearly 2 million barrels a day of extra oil in the system last week, the agency reported on Wednesday, from 700,000 barrels a day too few the week before. The largest-ever swing to the downside occurred just two weeks ago. An EIA spokesman pointed to a November Twitter thread explaining how it calculates the adjustment factor (Bloomberg). The futures came under pressure on the open with price trading to a low of USD 83.88, the technical has a neutral bias based on the depth of the pullback. However, price is holding above the 200-period MA at this point, indicating the market has intraday support. A close below that holds below the MA (USD 83.98), will warn that the USD 83.08 fractal support could be tested and broken. Upside moves that fail at or below USD 85.90 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 86.95 high. Bullish but with a neutral bias.

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