

	Previous Close	Current Close	% Change
Cape 1 month forward	6625	6425	-3.0%
Cape Q2 23	13000	12850	-1.2%
Cape Cal 24	14950	14925	-0.2%

	Previous Close	Current Close	% Change
Pmx 1 month forward	9350	9600	2.7%
Pmx Q2 23	12500	12825	2.6%
Pmx Cal 24	12850	12825	-0.2%

	Previous Close	Current Close	% Change
Smx 1 month forward	10275	10800	5.1%
Smx Q2 23	12575	12900	2.6%
Smx Cal 24	13050	13025	-0.2%

	Previous Close	Current Close	% Change
Brent	85.38	85.51	0.2%
WTI	78.59	78.75	0.2%
Iron ore	123.29	124.53	1.0%

Iron Ore

Source FIS/Bloomberg

Iron ore advanced for a third day as traders bet that the Chinese government will increase support for the economy, helping steel demand recover. President Xi Jinping has called for "more forceful measures" to expand domestic spending and said the country must prioritize the recovery and expansion of consumption. The speech was given late last year, and an excerpt was published Wednesday in the Communist Party magazine Qiushi. Meanwhile, home prices held steady in January after declining for 16 months as Beijing took steps to stabilize the sector. Official media have called for more policies to support real estate (Bloomberg). The intraday futures remain supported with price continuing to move higher. However, the March contract remains below the USD 125.72 level, if broken we target the USD 128.95 high. The MA on the daily RSI is bearish, warning the higher timeframe momentum does remains weak at this point, leaving us cautious on this upside move.

Copper

Copper climbed back towards \$9,000 a ton in London as a risk-on mood in global stock markets and signs of rebounding demand in China outweighed fresh concerns of a possible interest rate hike. Prices climbed as much as 1.6% while other industrial metals traded in a tight range, as investors across financial markets responded to strong earnings and showed an appetite for riskier assets. Copper cathode stockpiles in the major trading hub of Shanghai fell for the first time in nearly two months, while increases in aluminium holdings across the country also slowed, according to the latest survey from Shanghai Metals Market (Bloomberg). We noted yesterday the downside move below USD 8,808 had triggered a positive divergence, warning we could see a momentum slowdown, suggesting caution on downside moves. The technical implied we were vulnerable to a move to the upside, as price was in the daily support band. The futures are over USD 130.00 higher at USD 8,990. Technically the intraday is bearish with a neutral bias; however, the USD 9,055.50 resistance looks like it will be tested and broken.

PMX v Smx Technical Report 16/02/23

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Capesize

Another bear index today with price USD 350 lower at USD 2,280, it is worth noting that we now have a marginal divergence on the weekly chart dating back to September; however, realistically with the index at USD 2,280 there is little point in citing a buy signal when the index only has USD 2,280 downside. The March contract opened slightly lower but has moved sideways for the remainder of the session, we close the day USD 175 lower at USD 6,450 with the futures still in divergence with the RSI, leaving us a cautious bear. Further down the curve we have seen limited price action in the Q2 which is USD 75 down on the day at USD 12,925, whilst the Q3 has fared slightly worse with price USD 200 lower at USD 17,900. Caution on the Q3, if we trade below USD 17,800 it will create a positive divergence on the intraday, warning sell side momentum could be slowing.

Panamax

The index continues to weaken with price USD 115 lower at USD 6,022. An inside day on the March contract yesterday has been followed by a move higher today. The technical remains bearish with key resistance still at USD 10,360; however, the futures are moving higher on the back of a positive divergence with the RSI, leaving the resistance level vulnerable. We remain cautious on downside moves at this point, but we are not yet convinced that we are ready for a sustained move higher. For now, we are going to be neutral, until we see evidence that price action is backing the positive divergence.

Supramax

Positively booming on the Supramax index today with price USD 220 higher at USD 7,258. The March futures went bid on the open with price trading above the USD 10,750 fractal resistance, the technical is now bearish. Lead indicator or fake-out? Based on the fact that we had seen the warning signs that the bear trend was exhausting, there is a good chance that we have seen the market bottom. On that basis, yes, it is probably a lead indicator; however, to assume that the others sectors are about to follow suit is a bit of a leap, they are in divergence, but price action is not yet supporting this.

Oil

I was not sure on the morning report due to some mixed technical signals, as key support and resistance had been breached in the last 48-hours. Upside moves above USD 86.95 will create a negative divergence with the RSI, warning we could see a momentum slowdown; however, price is holding above the 200-period MA. Not a great intraday technical for me to work off, fortunately today's price action has given me absolutely nothing to work with. For this reason, I will revert back to the morning technical and remain a cautious bull as there is a lack of clarity on the technical.

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