

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	7125	8600	20.7%	Pmx 1 month forward	11375	13225	16.3%
Cape Q2 23	13850	14875	7.4%	Pmx Q2 23	14125	14800	4.8%
Cape Cal 24	15075	15375	2.0%	Pmx Cal 24	13325	13450	0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	12775	13625	6.7%	Brent	80.47	81.64	1.5%
Smx Q2 23	14200	14975	5.5%	WTI	73.85	74.89	1.4%
Smx Cal 24	13450	13350	-0.7%	Iron ore	130.2	129.65	-0.4%

Iron

Source FIS/Bloomberg

Iron ore steadied as expectations for a faster recovery in Chinese steel consumption offset efforts by the nation's leading commodities exchange to cool the gains. The steel-making ingredient traded around \$130 a ton in Singapore, after climbing 9% since the close on Feb. 13. Steel mills are preparing for a busier construction season next quarter as the economy picks up following the ebbing of a virus wave, while policy stimulus also buoys activity. Steel output has risen around 6% since early February, researcher Mysteel said. "The resumption of work at downstream construction sites has accelerated recently, resulting in active restocking," Holly Futures Co. said in a note. "The favorable financing environment for property companies now" helped boosted confidence, it said (Bloomberg). The futures are starting to consolidate near their highs with the March contract still in divergence with the RSI on the daily technical. On the onshore product we have seen a small dip in open interest, suggesting there is some distribution going on. The technical is bullish but there are reasons to be cautious up here at this point.

Copper

Copper extended losses following hawkish signals from the US Federal Reserve and signs of weak near-term demand in China. Benchmark futures fell for a second session after minutes from the Fed's last meeting underlined the scope for higher interest rates to bring down inflation. In China, traders are still waiting for more concrete evidence that domestic demand is rebounding (Bloomberg). We were bullish with a neutral bias on the morning report but highlighted that buyside momentum was weakening, as the MA on the RSI was already acting as a momentum resistance. We were also cautious due to the depth of the pullback, as this again warned of market weakness. The downside moves today has confirmed the weakening momentum with price USD 161 lower at USD 8,950, the intraday technical is now bearish.

Capesize

We noted on the close report yesterday that we would like to see price above the USD 4,432 resistance, which was looking possible. In true Cape fashion, we have done it in a single move, with price moving USD 1,519 higher today to USD 4,754, the index is now bullish. The upside move in the futures this morning meant that the trend now has a neutral bias, above USD 8,675 the March technical will be bullish. Momentum and price action are bullish which would suggest that support levels should hold if tested. We close the day USD 1,475 higher at USD 8,600, meaning we only need to see another USD 76 for the technical to be considered as bullish.

Panamax v Supramax Technical Report

PMX v SMX Technical Report 23/02/23 <https://fisapp.com/wp-content/uploads/2023/02/FIS-PMX-V-SMX3-PAGE-TECHNICAL-REPORT-23-02-23.pdf>

Panamax

As index's go, today was a biggie. Price was USD 1,963 higher at USD 9,184, meaning the index is bullish having broken fractal resistance. Going into the close last night we had an intraday divergence on a lower timeframe in the March contract, warning we could see a technical pullback (countertrend). However, price gapped higher on the open meaning the divergence immediately failed. Like the index we have had a strong day with the futures closing USD 1,950 higher at USD 13,325. We maintain our view that downside moves should be considered as countertrend.

Supramax

Another bull index today with price USD 745 higher at USD 10,336. We noted yesterday that the futures were supported but could be due a technical pullback due to the carry; however, with the physical fixing higher the futures are another USD 850 higher at USD 13,625. Downside moves are considered as countertrend still. For more information on the technical, please click on the link. Supramax Technical Report 23/02/23 <https://fisapp.com/wp-content/uploads/2023/02/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-23-02-23.pdf>

Oil

Oil is on track to snap its longest streak of losses since December, bouncing back as investors consider the overall US economy to be healthier than anticipated as the Federal Reserve continues its efforts to tame inflation. The revision to fourth-quarter gross domestic product shows inflation was higher than previously reported, an indication that demand might not be as damaged as previously thought as markets face off against the Fed's rate hikes. And while China has dominated headlines, India, the second-largest country, is projected to increase its demand for oil products as it looks to continue rapid growth (Bloomberg). The futures have moved higher with price closing above the trend resistance line this morning. However, we have (so far) rejected the USD 82.97 resistance, having traded to a high of USD 82.58, we go into the close at USD 81.68. The technical is bearish, but the longer we hold above the trend line the more confident market buyers will be. Likewise, if we fail to test the resistance the probability of the futures closing back below the trend line will increase.

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