

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	16900	15900	-5.9%
Cape Q1 24	9675	9325	-3.6%
Cape Cal 24	14500	14379.17	-0.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	12650	12975	2.6%
Pmx Q1 24	10075	10150	0.7%
Pmx Cal 24	11325	11450	1.1%

	Previous Close	Current Close	% Change
Smx 1 month forward	12275	12575	2.4%
Smx Q1 24	9825	9950	1.3%
Smx Cal 24	11175	11375	1.8%

	Previous Close	Current Close	% Change
Brent	82.7	83.26	0.7%
WTI	78.51	78.99	0.6%
Iron ore	128.1	128.45	0.3%

Iron Ore

Source FIS/Bloomberg

Iron ore futures in Singapore touched \$130 a ton for the first time since March on improving demand for steel in China, even as the country's property sector and wider economic recovery remained lacklustre. The steelmaking ingredient has jumped by more than a third from this year's low in late May. A Chinese plan to issue an additional 1 trillion yuan (\$137 billion) of sovereign bonds this quarter, with the funds partially earmarked for construction, has boosted sentiment. Low inventories at steel mills and expectations for restocking before February's Lunar New Year holiday period are also aiding the demand outlook (Bloomberg). The stimulus plan has pushed the Dec futures to a high of USD 131.45, meaning the intraday divergence has failed. The trend remains bullish at this point in what looks to be an Elliott wave 5; however, going back to last week, we are still monitoring this for a wave extension, if we get it, then downside moves will be considered as countertrend. We have now traded through our upside target of USD 130.48, our next intraday resistance is at USD 132.97.

Copper

The futures breached a key resistance level at USD 8,178 this morning, a level we would have expected to have held if there was a larger corrective cycle in play; however, we remained cautious on upside moves as the technical had produced a 5-wave pattern lower, implying the moves was a bearish Elliott wave A. Chinese stimulus alongside the US CPI figure coming in lower has resulted in the futures trading to a new high. This tells us that the psychological footprint of the market has potentially changed, which in theory would suggest that intraday downside moves should be considered as countertrend. However, we do have a note of caution as the new high means we have a bearish divergence in play, this is not a sell signal but does warn that we could see a momentum slowdown and will need to be monitored.

Capesize

The index turned today with price USD 275 lower at USD 21,344, a close below USD 20,795 tomorrow will mean that momentum based on price is aligned to the sell side. We were a little less confident yesterday as the back-end futures had broken key resistance levels. However, in the morning report we noted that we still had a minor divergence in play alongside the intraday wave analysis, meaning we remained cautious on upside moves, despite the futures trading and closing above the 55-period EMA. The December futures have sold lower with price closing the day down USD 1,000 at USD 15,900. This means we are now just below the 55-period EMA (USD 16,107); however, if we open lower tomorrow, we could see support levels come under pressure. Conversely, if we open back above the average and tomorrow's pivot point (USD 16,166), then we could test the USD 16,900 fractal high. Today's candle pattern is known as a bearish Harami, meaning market bulls will probably have to work harder on the open than the bears, as it is warning the upside move could be exhausting.

Panamax

The index today move today can only be called an absolute stonker with price coming in USD 530 higher at USD 12,975. This puts price on trend resistance, if broken tomorrow (highly likely), it will warn that the USD 13,504 fractal high will also be broken, taking the technical into bullish territory. The Dec futures had another positive day with price USD 400 higher at USD 12,975, with the MA on the RSI continues to imply that momentum is supported and warns that the USD 13,450 fractal high could be tested and broken. One note of caution is a Q1 mean reversion gap and a lower timeframe divergence in the Cal 24, which is warning we are looking a little overextended to the upside in the near-term. For more information on the technical, please click on the link. Panamax Technical Report 14/11/23 <https://fisapp.com/wp-content/uploads/2023/11/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-14-11-23.pdf>

Supramax

The index is another USD 70 higher today at USD 12,466. Like the Panamx we have seen another move up with price breaking above the USD 12,443 resistance on the open, warning that the probability of the futures trading to a new low has started to decrease. The MA on the RSI does suggest that momentum remains supported; however, the 1-hour technical is in divergence with the RSI, warning we could be vulnerable to a technical pullback. Neutral, we are cautious at these levels due to the divergence.

Oil

With the CPI coming in lower, warning that inflation is easing, the USD sold lower, lending bid support to the Brent futures. Technically the upside moves still looks to be countertrend, but momentum remains supported at this point, meaning resistance levels are still vulnerable. If we trade above USD 84.87 then the probability of the futures trading to a new high will start to decrease.

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