

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	16925	17775	5.0%
Cape Q1 24	9775	10025	2.6%
Cape Cal 24	14675	14900	1.5%

	Previous Close	Current Close	% Change
Pmx 1 month forward	13300	13750	3.4%
Pmx Q1 24	10300	10575	2.7%
Pmx Cal 24	11400	11562.5	1.4%

	Previous Close	Current Close	% Change
Smx 1 month forward	12875	13400	4.1%
Smx Q1 24	9950	10325	3.8%
Smx Cal 24	11300	11475	1.5%

	Previous Close	Current Close	% Change
Brent	81.07	77.5	-4.4%
WTI	76.58	72.96	-4.7%
Iron ore	129.7	130.7	0.8%

Iron ore

Source FIS/Bloomberg

Technically bullish this morning having held above the EMA support band, the MA on the RSI continued to warn that momentum remained weak. We noted that a move above USD 131.45 would create a negative divergence with the RSI, warning we could see a momentum slowdown, leaving us cautious on upside breakouts. Sideways action this afternoon with price remaining just below fractal resistance, meaning we remain cautious on upside breakouts.

Copper

Having moved lower on the Asian open the futures have once again traded to a new high, creating a third negative divergence with the RSI. The three spikes in quick succession are an exhaustion pattern, warning we are now vulnerable to a move lower. For this reason, the futures are no longer considered a technical buy at these levels. Key support is now at USD 8,128, a move below this level will warn that the probability of the futures trading to a new high has started to decrease.

Capesize

Flat yesterday, the index was another USD 746 higher today at USD 22,096. We noted in last night's close report that the futures were in divergence whilst price was trading on its highs with financials buying, warning we could see bid support today if we opened above the daily pivot point. The futures have moved higher, above the USD 17,443 resistance, meaning we now have a neutral bias. Price is above all key moving averages with the RSI making a new high, warning resistance levels remain vulnerable. If we do enter a corrective phase, but hold above the USD 15,095 level, it will warn that there is potentially a larger bull cycle in play.

Panamax

The index continues to strengthen with price USD 955 higher today at USD 14,860. The Dec futures remain bullish and in trending environment with price above all key moving averages supported by the RSI above 50. Price is USD 400 higher today at USD 13,700, as noted this morning, momentum is supported but the MA on the RSI had flattened a little, warning that buy-side momentum is showing signs of slowing down. We have only moved USD 25 higher since the morning report, supporting a momentum slowdown; however, the recent high in the RSI does suggest that downside moves have the potential to be countertrend, making USD 11,316 the key support to follow.

Supramax

We are starting to see momentum based on price increase with the index USD 407 higher today at USD 12,956. We noted on the morning report that with the Panamax cycle failing it warned that the USD 13,650 fractal resistance will be tested and broken. The futures moved another USD 425 higher post index to close the day at USD 13,475. We remain below key resistance but expect this to be broken tomorrow, as momentum remains supported at this point. Based on the RSI making new highs, downside move look like they will be countertrend at this point.

Oil

The world's largest commodity trading companies are punishing the energy markets today. Big investors being long and wrong can lead to lower energy prices as they rush to unwind positions in the complex. West Texas Intermediate, Brent crude and gasoline futures are all posting losses of more than 3%. Price action has been amplified by outright sales and bearish option plays, including buying of puts and selling calls, according to dealing desks that see the flow. The move to liquidate longs has been accompanied by decent volume, traders say. The sell flow has also drawn in smaller Commodity Trading Advisors and small indexed players, dealers confirmed. Once prices move more or less than 3% it typically draws in larger CTAs that will trade in the direction of momentum -- extending gains or losses. Investors are focused on a bearish macro backdrop and are ignoring the prospect of longer production cuts from Saudi Arabia. Investors have also been positioning for crude oil demand to fall short of supply through January, as my colleague Julia Fanzeres pointed out Wednesday. In Brent, technicals point to a downside objective of \$70 per barrel (Bloomberg). We have been bearish with upside moves considered as countertrend in the last few days. We noted this morning that the MA on the RSI warned that momentum is weakening, implying the USD 79.20 fractal low was vulnerable. Going into the close the futures are trading USD 3.48 lower at USD 77.70 with our wave analysis suggesting we could trade as low as USD 74.95.

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