

FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24400	30125	23.5%	Pmx 1 month forward	15450	17200	11.3%
Cape Q1 24	12300	13600	10.6%	Pmx Q1 24	12000	12975	8.1%
Cape Cal 24	16450	17200	4.6%	Pmx Cal 24	12425	12950	4.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14825	16125	8.8%	Brent	81.66	82.65	1.2%
Smx Q1 24	12000	12950	7.9%	WTI	76.58	77.51	1.2%
Smx Cal 24	12362.5	12875	4.1%	Iron ore	128.8	128.2	-0.5%

Iron Ore

Source FIS/Bloomberg

Having found bid support in the Asian day session, the Dec futures have seen more selling pressure this afternoon with price testing but holding above the USD 125.98 support. We noted this morning that although the RSI was above its MA, it continued to warn of technical weakness. The RSI is still above the average, which has started to flatten, warning sell side momentum is potentially slowing. If we do move below USD 125.98, then the near-term technical will have a neutral bias whilst the Elliott wave cycle will remain bullish.

Copper

Panama's government said it will shut a \$10 billion copper mine owned by First Quantum Minerals Ltd., damping hopes that the company might reach a new deal to keep operating after a supreme court ruling against it (Bloomberg). The upside move into the close yesterday means the futures are on the bullish impulse wave 5, meaning we now have a potential upside target at USD 8,614. However, the new high has created a positive divergence with the RSI, not a sell signal it is a warning that we have the potential to see a momentum which will need to be monitored. The futures have moved sideways for most of the session, but we are seeing light selling pressure into the close.

Capesize

It was a bit of a biggie today with the index USD 7,140 higher today at USD 41,796. Having rejected the downside yesterday to produce a bullish close, the Dec futures have had a strong gap up on the morning, followed by a further push in the futures, to close the day USD 5,350 higher at USD 29,750. From a technical perspective, downside moves should be considered as countertrend; however, we roll tomorrow into Jan, and this will take out key support levels (unless the Jan jumps 2.5k overnight). This is going to seriously mess the technical up and make it very difficult to read, so it could be that downside moves will be specific to the Dec, as Jan pricing 12k lower.

Panamax

The index is USD 233 higher at USD 17,847. We noted this morning that the corrective move lower on the open yesterday had not been deep enough to be the move we were looking for. With the Capes opening USD 3,000 higher the futures gapped up on the open and continued to move higher post index, resulting in the Dec contract closing up USD 1,675 on the day at USD 17,150. Our wave analysis would suggest that downside moves should be considered as countertrend, the roll tomorrow will mean that Jan is still above our key support (USD 12,481), so for now we will maintain that view.

Supramax

The index is USD 433 higher at USD 14,959. The Dec futures rejected the downside and opened higher alongside the rest of the freight complex today, we have closed the day USD 1,300 higher at USD 16,125. Technically, downside moves should be counter-trend, the roll into Jan will be above our key support (USD 12,165), so like the Panamax, we will maintain this view for now.

Oil

We have been neutral on the intraday for the last week whilst not a seller due to the daily technical. The futures have moved higher today with price up a dollar at USD 82.68, but we remain below key resistance at USD 83.97. It is OPEC tomorrow, so hopefully we will have a directional bias soon. If we trade above USD 83.97 then we are bullish on the intraday, but for now we are neutral, but not a seller.

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com