

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16875	15475	-8.3%	Pmx 1 month forward	14625	13500	-7.7%
Cape Q1 24	13150	12450	-5.3%	Pmx Q1 24	13150	12550	-4.6%
Cape Cal 24	16900	16375	-3.1%	Pmx Cal 24	13075	12375	-5.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14875	13450	-9.6%	Brent	78.03	78.46	0.6%
Smx Q1 24	13375	12225	-8.6%	WTI	73.04	73.61	0.8%
Smx Cal 24	13100	12100	-7.6%	Iron ore	128.88	129.05	0.1%

.Iron ore

Source FIS/Bloomberg

Brazilian iron ore giant Vale SA plans to keep its production of the steelmaking ingredient steady next year, potentially offering some support to the recent price rally. The world's second-largest producer of the commodity forecasts volumes at 310 million to 320 million tons in 2024, it said Tuesday. That compares with 320.4 million tons estimated by analysts tracked by Bloomberg, and around 315 million tons for this year (Bloomberg). The Jan futures remain in a corrective phase which has the potential to become a complex one, intraday Elliott wave analysis continues to suggest that downside moves look like they could be countertrend. However, price has started to consolidate a little and looks like it could be forming and intraday symmetrical triangle. This will need to be monitored as it is a neutral pattern, with a breakout potentially giving us directional bias.

Copper

Base metal futures fell for a second day as concerns about China's economic outlook continued to dent sentiment over market demand. Moody's Investors Service cut its outlook for Chinese sovereign bonds to negative, underscoring deepening global concerns over debt levels in the world's largest consumer of commodities. That came after a survey of the nation's services activity beat estimates, indicating very small amounts of growth (Bloomberg). We were bullish with a neutral bias this morning with momentum indicators warning that upside moves looked like they could be countertrend, with price looking like it could enter bearish territory. The futures have continued to move lower with price now considered as bearish, we maintain our view that upside moves should be considered as countertrend.

Capesize

The index has turned today with price USD 5,274 lower at USD 49,310; however, we need to see a close below USD 47,883 for momentum based on price to be aligned to the sell side. The Jan futures broke a key support this morning, meaning the technical although still bullish had a neutral bias, the depth of the pullback meant that the probability of the futures trading to a new high has started to decrease. A 35% drop in two days warned that the futures were a little overextended to the downside; however, we were a little cautious on upside moves without price and momentum being aligned to the buy side. We have found light bid support to close the day USD 1,375 lower at USD 15,500, meaning the futures look like they will close above the 55-period EMA (USD 14,765). This is often a key average for the futures and does warn we could see bid support in the morning, especially as the daily pivot is looking like it will be around the 15,200 level. Price and momentum will not be aligned to the buy side on the open, as the RSI is well below its moving average, but if we are above the daily pivot, the 55-period EMA and today's close, we could see some buying interest in the market. Countering this, if we open below these factors, we could see price coming under further pressure. The MA on the RSI is moving lower, warning resistance levels should in theory hold if tested; however, if we open around these levels, we at least have a chance that we could test resistance.

Panamax

The index came in USD 143 lower today at USD 20,487. The Jan futures gapped lower on the open, meaning the technical is bearish; however, the futures are currently holding above key longer-term support at USD 12,444 at this point. For more information on the technical, please click on the link. Panamax Technical Report 05/12/23 <https://fisapp.com/wp-content/uploads/2023/12/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-05-12-23.pdf>

Supramax

We remain in the green today with the index USD 425 higher at USD 17,213. However, this had little bearing on the Jan futures which closed the day USD 1,425 lower at USD 13,450. We noted this morning that the intraday futures had broken fractal support and the USD 12,845 level, meaning the technical is probably bearish with the probability of the longer-term technical trading to a new high starting to decrease. Like the rest of the freight complex we have found some light bid support this afternoon; however, the MA on the RSI is implying momentum is weak, suggesting resistance levels should hold if tested. Tomorrow's pivot point will be at USD 13,508 so we will need to be a little higher on the open to find further bid support, as we also have the 200-period MA at USD 13,510.

Oil

Saudi Arabia cut its official crude oil selling prices to Asia next month amid a continued supply glut, a sign of weakness in markets as OPEC and its allies deepen production cuts in an attempt to avoid a surplus. State-owned Saudi Aramco lowered its flagship Arab Light price to Asia by 50 cents to \$3.50 a barrel more than the benchmark for January, according to a price list seen by Bloomberg. However, that was less than the \$1.05 a barrel reduction estimated in a Bloomberg survey. The cuts in Saudi prices highlight the heated competition to win Asian customers in an oversupplied market. Sweet or low-sulphur crudes, which are normally more expensive because they yield more valuable fuels, have been selling at very cheap prices in recent weeks. Premiums of Murban futures have plunged from a month ago while prices of US WTI Midland also tumbled (Bloomberg). Technically bearish in the morning technical, we noted that sell side momentum was slowing based on the MA on the RSI. We highlighted that market sellers would need to see price and momentum become aligned to the sell side support further downside moves. The futures are unchanged on the day with price 0.04 cents higher than the morning report.

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