

# 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	15475	14875	-3.9%	Pmx 1 month forward	13500	13325	-1.3%
Cape Q1 24	12450	11850	-4.8%	Pmx Q1 24	12550	12350	-1.6%
Cape Cal 24	16375	16250	-0.8%	Pmx Cal 24	12375	12325	-0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	13450	13175	-2.0%	Brent	77.2	74.37	-3.7%
Smx Q1 24	12225	12100	-1.0%	WTI	72.32	69.35	-4.1%
Smx Cal 24	12100	12000	-0.8%	Iron ore	129.05	131.65	2.0%

## Iron Ore

Source FIS/Bloomberg

Chinese steelmakers are finding their margins squeezed by rising input costs just as demand softens heading into the winter lull in construction activity. Still, the collapse in profitability is unlikely to spur significant output cuts, as mills are making just enough to sustain production in anticipation of improved consumption next year. Iron ore futures remain stubbornly stuck around \$130 a ton, despite the best efforts by the authorities to talk the market down, while the coking coal that accompanies ore in blast furnaces hit its highest in a year at the end of last month (Bloomberg). We noted on the morning technical that we had broken the symmetrical triangle highlighted last night to the upside. This has resulted in the futures trading above the USD 132.35 high from yesterday, meaning the USD 135.05 fractal high is starting to look vulnerable. We closed the day at USD 131.35 in the Jan futures, meaning we are USD 1.50 off our highs. Technically, downside moves should be considered as countertrend based of our Elliott wave analysis, the big question is, will we see the NDRC come out and try to force prices lower again?

## Copper

The futures moved higher on the Asian open resulting in price trading into the EMA resistance band. We have seen a small move lower this afternoon, meaning we will close the day at USD 8,360, USD 25.50 higher on the day. However, as noted in the morning technical, we are bearish with upside moves considered as countertrend, a view that we continue to maintain.

## Capesize

Another bad index today with price USD 6,510 lower at USD 42,800, momentum based on price is now aligned to the sell side. We noted last night that we need to see an open above the 55-period average, the daily pivot and the previous close, to give the futures some chance of a move higher. We opened above the average and the pivot level but sold immediately below the pivot point, the average was broken a few hours later, resulting in the Jan contract closing the day USD 1,150 lower at USD 14,325. Technically we remain bullish with a neutral bias; however, momentum indicators remain weak, suggesting caution on upside moves at this point. Based on current values, tomorrow's pivot point will be at USD 14,525, if we fail to open above and hold above this level, then the futures could come under further pressure.

## Panamax

The index is now starting to accelerate on the downside move with price USD 1,021 lower at USD 19,466, momentum based on price is now aligned to the sell side. The Jan futures sold lower on the open but found light bid support post index with price holding above the USD 12,444 support, to close the day USD 200 lower at USD 13,300. Technically we remain bearish with the MA on the RSI suggesting momentum is weak, warning that upside moves could struggle to hold. Tomorrows pivot point is looking like it will be at USD 13,016, if we open above this level and price and momentum become aligned to the buy side, we could see the USD 14,426 resistance come under pressure. However, an open below this level with a move below the USD 12,450 low from this morning, will warn that we could see downside continuation. We are not bullish, but we are over USD 6,000 below the index, meaning we could see some support in the market as the futures wait to see if the index will catch up.

## Supramax

The index turned today, with price USD 136 lower at USD 17,077. Like the Jan Panamx, we opened lower but found light bid support in the afternoon to close the day USD 325 lower at USD 13,125. For more information on the technical, please click on the link. Supramax Technical Report 06/12/23 <https://fisapp.com/wp-content/uploads/2023/12/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-06-12-23.pdf>

## Oil

Oil fell to the lowest in more than five months as concerns that the market has excess supplies overshadowed a report showing shrinking US inventories. US benchmark West Texas Intermediate slipped as much as 4% to break below \$70 a barrel and reach the lowest intraday price since June 29. Global benchmark Brent retreated as much as 3.5%, slipping below \$75. WTI futures have now dropped by more than a quarter from this year's peak in late September (Bloomberg). We had an intraday divergence in play this morning that meant we were cautious on downside moves. However, we noted that a move below USD 76.60 would suggest that we would be looking at some form of Elliott wave extension. We also noted this in the close report last week, stating that if broken that the USD 71.00 area (support zone) could come under pressure. The futures have broken to the downside, we are seeing wave extension and now target the USD 71.58 – USD 71.28 support area dating back to May – June.

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

[EdwardH@freightinvestor.com](mailto:EdwardH@freightinvestor.com)

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