

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	16125	17900	11.0%
Cape Q1 24	12675	13800	8.9%
Cape Cal 24	16800	17600	4.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	12975	13850	6.7%
Pmx Q1 24	12300	13150	6.9%
Pmx Cal 24	12650	13325	5.3%

	Previous Close	Current Close	% Change
Smx 1 month forward	13000	13425	3.3%
Smx Q1 24	12012.5	12425	3.4%
Smx Cal 24	12275	12775	4.1%

	Previous Close	Current Close	% Change
Brent	76.11	73.16	-3.9%
WTI	71.4	68.52	-4.0%
Iron ore	134.9	135.55	0.5%

Iron Ore

Source FIS/Bloomberg

We were a cautious bull this morning as there were two divergences in play, although these were not selling signals, they were warnings that we had the potential to see a momentum slowdown. The Jan futures came under pressure this afternoon after with price selling USD 1.96 lower to close the day at USD 134.15 on the back of the divergence. The technical remains bullish at this point, with key support to follow at USD 129.52, if broken, then the probability of the futures trading to a new high will start to decrease. We remain cautious on upside moves.

Copper

Technically bearish in the morning report, having moved lower after breaking a trend support. We noted that there was some neutrality in the market, as both key support and resistance had both held. However, a move lower this afternoon means that the USD 8,326 support has been broken, warning that the USD 8,238 fractal low is starting to look vulnerable.

Capesize

Another bullish index today with price USD 1,607 higher at USD 38,082. Having closed lower yesterday, we opened with bid support today in the Jan futures with price trading above yesterday's high post index. The MA on the RSI this morning warned that momentum was showing signs of support; however, we remained cautious due to the RSI breaking support and making a new low last week, as it warned that the upside move could be countertrend. If we do trade above USD 19,072 then the technical will go from bullish/neutral to bullish, warning that the USD 21,750 fractal high could come under pressure.

Panamax

We continue to come under pressure in the index with price USD 470 lower today at USD 16,632. The Panamax index is bullish with downside moves looking like they could be countertrend, but the Jan futures are bearish with upside moves considered as countertrend. Confusing I know. There are some conflicts in this technical as corrective moves often work in 3 wave patterns based on Elliott wave analysis. However, the Q2 and Cal 24 do have momentum support, warning resistance levels are vulnerable. Just a point of note, if the index turns higher, it does not mean that we will necessarily trade to a new high in the next move, just because it is bullish; it is entirely feasible that it could produce a corrective 3 wave pattern first. For more information on the technical, please click on the link Panamax Technical Report 12/12/23 <https://fisapp.com/wp-content/uploads/2023/12/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-12-12-23.pdf>

Supramax

The index is another USD 284 lower today at USD 16,280. The Jan futures remain technically bearish with intraday Elliott wave analysis suggesting that upside moves should be considered as countertrend at this point. The Jan futures found bid support post index, alongside the rest of the freight complex to close the day USD 425 higher at USD 13,425. Going into the close, the RSI has crossed its MA warning that intraday price and momentum could be aligned to the buy side on the open tomorrow (tomorrow's pivot point is looking like it will be at USD 13,275). If it is, then we could see resistance levels come under pressure.

Oil

Oil plunged, approaching its lowest level in five months, amid more signs of robust supplies. West Texas Intermediate fell as much as 3.4% to below \$69 a barrel, near the lowest since late June. Crude has slid for seven straight weeks, with even new output cuts by OPEC and its allies failing to halt the skid. In a fresh sign that supplies remain ample, the weekly average of Russia's seaborne crude exports jumped to the highest level since early July. Spreads between monthly contracts continue to indicate oversupply, with the front end of the Brent futures curve this week closing at the weakest level since June. "Futures are trying to solidify a bottom from last week's selloff," said Dennis Kissler, senior vice president for trading at BOK Financial Securities. "The contango structure of back-month futures gaining on front month is setting the tone that current supplies seem ample." (Bloomberg). Technically bearish with upside moves considered as countertrend previously. We noted in the morning report that momentum was conflicting, but the 1-hour chart was in divergence, meaning we were cautious on upside moves. The futures are USD 2.88 lower at USD 73.15, meaning we are trading to new lows. A few things to now monitor 1) we are now in divergence with the RSI, warning that we could see a momentum slowdown 2) intraday Elliott wave analysis has a potential downside target at USD 69.77 3) there is a very important support zone between USD 71.58 – USD 71.28, if this gets broken, we could see a wave extension and price below the USD 70.12 low.

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