

# FIS European Close

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|                      | Previous Close | Current Close | % Change |                     | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 16125          | 16375         | 1.6%     | Pmx 1 month forward | 13550          | 14000         | 3.3%     |
| Cape Q1 24           | 12925          | 13200         | 2.1%     | Pmx Q1 24           | 12925          | 13400         | 3.7%     |
| Cape Cal 24          | 17025          | 17350         | 1.9%     | Pmx Cal 24          | 13112.5        | 13587.5       | 3.6%     |

|                     | Previous Close | Current Close | % Change |          | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 13375          | 13775         | 3.0%     | Brent    | 74.62          | 76.88         | 3.0%     |
| Smx Q1 24           | 12425          | 12925         | 4.0%     | WTI      | 69.87          | 72.05         | 3.1%     |
| Smx Cal 24          | 12725          | 13012.5       | 2.3%     | Iron ore | 133.4          | 134.45        | 0.8%     |

Iron ore

Source FIS/Bloomberg

Having seen a test to the upside on the Asian open the futures have mean reverted back to but held the EMA support band. Going into the close we remain just above the band with the RSI moving above its MA; however, we continue to remain cautious on upside moves, as a new high will create another negative divergence with the RSI. US HRC and Turkish scrap reports today.

US HRC Jan 24 14/12/23 <https://fisapp.com/wp-content/uploads/2023/12/FIS-US-HRC-Technical-14-12-23.pdf>

Turkish Scrap Jan 24 Jan 24 <https://fisapp.com/wp-content/uploads/2023/12/FIS-Turkish-Scrap-80-20-Technical-14-12-23.pdf>

Copper

Copper jumped more than 2% in London, joining a risk-on rally seen across markets after the Federal Reserve gave the clearest signal yet that its historic policy tightening campaign is over. Wednesday’s Fed meeting, where policymakers signaled more aggressive interest-rate cuts in 2024, unleashed a bullish pulse that’s touched virtually every corner of global finance. Traders are betting the Fed is on the cusp of engineering a once-unthinkable soft landing in the world’s largest economy (Bloomberg). We noted in the morning report that the rhetoric from the Federal Reserve could change the technical footprint on the market, with the gap higher on the open indicating that we had momentum support, and a change in sentiment, warning resistance levels could be tested and broken. The futures have continued to move higher on the back of dollar weakness with price trading above the USD 8,503 resistance, meaning we now have a neutral bias, the probability of the futures trading to a new low is decreasing. Above USD 8,640 the technical will be considered as bullish.

Capesize

Having seen a strong move down yesterday the index was only USD 248 lower at USD 35,463 today. The Jan futures failed to open below the daily pivot level this morning, meaning we have had no follow through from yesterdays sell off. Price produced a small gap higher on the open, with the future trading in a tight range between USD 16,900 – USD 17,375 for most of the session, before weakening a little late on to close the day USD 325 higher at USD 16,450. Technically we remain bullish with a neutral bias, with price consolidating above the 55-period EMA (USD 15,577) for the last 5 days, we are seeing some erratic price movement at the moment without actually moving. Key resistance is at USD 19,072, if broken, then the USD 21,750 resistance will become vulnerable; likewise, a close below that holds below the 55-period EMA will warn we could see a move lower.

## Panamax

The index is another USD 346 lower today at USD 15,895. However, the Jan futures found light bid support with price closing just above the 55-period EMA at USD 13,925 (USD 375 higher). We are still in the rising channel/market base/bear flag (I am still not sure which one it is); however, based on our intraday Elliott wave analysis we maintain a view that the current move higher looks like it could be countertrend.

## Supramax

We continue to see bearish movement in the index with price USD 225 lower today at USD 15,865. The Jan futures opened with light bid support today with price spending the day on or around the 200-period average (USD 13,462) going into the close we have moved above the average with price USD 400 higher on the day at USD 13,775. If we can hold above the average, then we could see a near-term test to the upside. Likewise, failure to do so will result in price looking to test support. We remain in the channel support at this point but continue to be cautious in case it turns out to be a bear flag.

## Oil

The technical had a neutral bias this morning having broken key support, meaning that the probability of the current Elliott wave cycle trading to a new low had decreased. We have continued to move higher on the weaker dollar with price trading above the USD 76.66 fractal high, telling us that the lower timeframe Elliott wave cycle has completed, meaning the intraday futures are bullish based on price. Focus will now be on the USD 80.51 level; this is a key resistance, as a rejection below it will warn that there is a larger bear cycle in play.

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