

	Previous Close	Current Close	% Change
Cape 1 month forward	17875	18375	2.8%
Cape Q1 24	14050	14200	1.1%
Cape Cal 24	17875	18050	1.0%

	Previous Close	Current Close	% Change
Pmx 1 month forward	14600	14875	1.9%
Pmx Q1 24	14000	14325	2.3%
Pmx Cal 24	13825	14050	1.6%

	Previous Close	Current Close	% Change
Smx 1 month forward	14300	14475	1.2%
Smx Q1 24	13750	13900	1.1%
Smx Cal 24	13400	13600	1.5%

	Previous Close	Current Close	% Change
Brent	79.27	79.93	0.8%
WTI	73.58	74.66	1.5%
Iron ore	132.4	134	1.2%

Iron Ore

Source FIS/Bloomberg

Iron ore rose for a second day with traders eyeing improved demand for steel next year. The steelmaking ingredient logged a modest gain as local media continue to assert Beijing's commitment to drive economic growth. Analysts expect China to add to its fiscal stimulus next year, according to the state-owned Securities Times, offering some reprieve after a lack of major new incentives at a recent government policy meeting disappointed investors (Bloomberg). The Jan futures have traded to new highs, meaning we have a negative divergence in play on the daily chart. For more information on the technical, please click on the link. Iron Ore Jan 24 (rolling Front Month) 21/12/23 <https://fisapp.com/wp-content/uploads/2023/12/FIS-Iron-Ore-Technical-21-12-23.pdf>

Copper

Gold and Copper gained as the dollar fell after US economic growth was revised lower, raising expectations for rate cuts next year. Copper also advanced. Gross domestic product rose at an annualized pace of 4.9% in the third quarter, according to the Bureau of Economic Analysis, below the figure given in November. The greenback extended losses following the print, boosting bullion which rose as much as 0.7% (Bloomberg). The futures had entered a corrective phase on the back of a negative divergence with the RSI; however, the weakening USD has resulted in price holding above the USD 8,523 support, meaning we have reversed earlier losses to close the day USD 13.00 higher at USD 8,595.5. We are bullish but continue to maintain a cautious approach due to the divergence that is in play.

Capesize

The index continues to come under pressure with price USD 1,406 lower at USD 2,7872. The Jan futures remain supported today with price holding above the 55-period EMA, we have closed the day USD 525 higher at USD 18,900. Less a technical and more a logical point of view, the Jan contract is trading at a USD 9,000 discount to the index with the futures starting to price in tomorrow. With the index not pricing between Christmas and New Year, we are going to need to see a strong move lower in the index come new year, otherwise we could find bid support on the 02/01/24. We highlight this as the roll into Feb is going to put the futures at new lows, from a corrective point of view on the rolling front month this means we will in theory be on the corrective wave C. With the price data gap on the roll, it will be difficult to read the internal wave structures, but from a more simplistic perspective, a 3-wave pattern lower will warn that market buyers will start looking for evidence of support in the futures.

## Supramax

The index continues to come under pressure with price USD 204 lower today at USD 15,159. The Jan futures have weakened a little bit with price around USD 450 lower at USD 14,025. It will be a similar pattern here tomorrow, the futures will be discounted on the roll into Feb, meaning we will be below the USD 13,492 support, implying we are in the corrective wave C. The roll should also put the futures below the intraday and daily 200-period MA's, suggesting support levels could come under pressure as the market looks for confirmation that it is the wave C.

## Oil

The upside move in the futures yesterday broke a key resistance, meaning the probability of there being a larger bear cycle in play has started to decrease. The futures were above a bullish trend line, but we had failed to hold above the 200-period MA, if we managed to hold above the average then it would support a buyer's argument, failure to do so would warn we could enter a corrective phase. We also noted that we had a negative in play that needed to be monitored. The futures are back below the average; however, the previous candle closed on trend support, resulting in a move lower that has failed to hold. We are now at an inflection point, as price is trading at USD 79.03 going into the close, the trend support is at USD 79.06. We are weakening, but a 3 cents trend break is unlikely to be enough to create any serious selling, meaning we are going to have to wait to see where we close this candle, and the day.

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