



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	#N/A N/A	13575	#VALUE!	Pmx 1 month forward	#N/A N/A	12850	#VALUE!
Cape Q2 24	#N/A N/A	18850	#VALUE!	Pmx Q2 24	#N/A N/A	14275	#VALUE!
Cape Cal 25	#N/A N/A	17750	#VALUE!	Pmx Cal 25	#N/A N/A	12300	#VALUE!

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14450	12550	-13.1%	Brent	77.08	76.34	-1.0%
Smx Q2 24	#N/A N/A	13725	#VALUE!	WTI	71.33	70.78	-0.8%
Smx Cal 25	#N/A N/A	12125	#VALUE!	Iron ore	139.95	141.75	1.3%

Iron Ore

Source FIS/Bloomberg

Fortescue has launched an internal investigation into a derailment that has cut the supply of iron ore into its port operations in Western Australia. Rail safety authorities have also been alerted to the derailment which happened between Port Hedland and the company's mines on Saturday. The Fortescue rail line into Port Hedland, Australia's iron ore export epicenter, remained out of action on Tuesday. Andrew Forrest-led Fortescue said the derailment involved multiple wagons but declined to say how many or reveal additional details on the extent of the damage. It is understood the derailment happened about 150 kilometers south of Port Hedland, but Fortescue would not comment on the location. A Fortescue spokeswoman said no one was injured in the incident and there was no impact on members of the public. Fortescue expects to reopen the rail line on Wednesday. It said the derailment and four-day supply chain outage would not affect its iron ore shipments for December or the half-year to December 31 (Bloomberg). The Jan futures moved higher on the open on the back the Caixin Manufacturing PMI in December hitting a four month high at 50.8; however, the new high means the futures are now in divergence with the RSI on the intraday technical, not a sell signal it is a warning that we could see a momentum slowdown. For this reason, we maintain a cautious view on upside moves.

Copper

Having traded to a new high over the seasonal holiday, the futures have entered a corrective phase on the back of a negative divergence with the RSI. With global bond price coming under pressure today due to market participants scaling down on the consensus that we will see multiple interest cuts by major central banks this year, we have seen the USD basket find bid side support, resulting in the copper futures moving lower in the morning session. The intraday technical is now bearish with the RSI making new lows, suggesting upside moves have the potential to be countertrend at this point. This is supported by the MA on the RSI which is indicating that momentum is weak, despite the bid side support going into the close. Key resistance to follow is at USD 8,646, a rejection of this level will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The close will be important today, as we are showing downside rejection within the EMA support band. If we trade above and close above USD 8,611.5 tomorrow, we could see resistance levels come under pressure in the near-term; however, price and momentum going into the close remain aligned to the sell side, meaning market buyers might want to wait rather than entering early to try and catch a swing move higher.

Capesize

The index is showing signs of light bid support with price USD 719 higher today at USD 28,896. However, with the Fortescue derailment we have seen the Feb futures close the day USD 1,300 lower at USD 13,575. For more information on the technical, please click on the link. Capesize Technical Report 02/01/24 <https://fisapp.com/wp-content/uploads/2024/01/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-02-01-24.pdf>

Panamax

Having slowed down into the year end the index has moved another USD 332 lower today to USD 15,515. Having rejected the upside resistance levels for the second time, we noted on the morning report that the Feb futures were testing the 200-period EMA at USD 13,632. A close below that held below the average would warn that the USD 12,450 fractal low could come under pressure. The futures have moved another USD 700 lower to close at USD 13,050, we are now below the average and maintain our view that support levels are vulnerable.

Supramax

Not a great start to 2024 with the index coming in USD 671 lower at USD 14,392. We noted in the morning report that a close below the 200-period MA at USD 13,365 would weaken the technical environment, leaving the USD 11,750 fractal low vulnerable. We have produced a bearish close with price selling another USD 825 lower to close the day at USD 12,550. We maintain our view that the USD 11,750 fractal support could now be tested and broken.

Oil

There were some conflicts in the technical this morning as intraday momentum was turning neutral whilst the daily momentum suggested support, meaning we could see the 200-period MA at USD 79.08 and the USD 80.02 resistance come under pressure in the near-term. However, the recent move lower in price had been replicated by the RSI which broke support, warning that the upside move had the potential to be countertrend. We traded to a high of USD 79.06 before rejecting the 200-period average. A strong USD (see copper comment) has resulted in the futures giving back the early morning gains to close the day USD .79 lower to close at USD 76.29. Market sellers will now want to test the USD 75.50 support, if broken, we have the potential to retest the USD 72.29 fractal low.

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