

# FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change
Cape 1 month forward	14625	12300	-15.9%
Cape Q2 24	19200	17975	-6.4%
Cape Cal 25	18000	17500	-2.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	11800	10825	-8.3%
Pmx Q2 24	14225	13525	-4.9%
Pmx Cal 25	12300	11900	-3.3%

	Previous Close	Current Close	% Change
Smx 1 month forward	11600	10875	-6.3%
Smx Q2 24	13500	13225	-2.0%
Smx Cal 25	12200	11975	-1.8%

	Previous Close	Current Close	% Change
Brent	78.9	75.65	-4.1%
WTI	73.95	70.33	-4.9%
Iron ore	138.65	137.85	-0.6%

Iron Ore

Source FIS/Bloomberg

Iron ore slid for a third session as the market flashed signals of weaker seasonal demand during China’s winter, with investors looking to Beijing to implement further economic stimulus measures. Futures fell in Singapore as much as 1.3%, following the mineral’s first weekly loss in three. Prices for the steelmaking ingredient have fallen since the start of the year as investors continue to mull over Beijing’s ability to expedite China’s recovery, especially in its struggling property sector (Bloomberg). The downside move in the futures means that the Feb contract is now bearish. We have seen sideways action in the Asian evening session; however, the MA on the RSI continues to imply that momentum remains weak at this point. Based on the new low, upside moves look like they could be countertrend, with key resistance at USD 141.22.

Copper

Technically bearish in the morning report with price still in divergence with the RSI, not a buy signal it did warn that we could see a momentum slowdown. The futures did see another test to the downside; however, we have moved higher into the close with price around USD 20 above this morning’s report levels. Based on the RSI making new lows whilst in a corrective phase, we maintain our view that upside moves look like they could be countertrend at this point.

Capesize

The index turned today with price USD 1,646 lower at USD 29,851. Having closed back below trend support on Friday, the futures gapped lower on the open to close USD 1,975 lower at USD 12,650. For more information on the technical, please click on the link. Capesize Technical Report 08/01/24 <https://fisapp.com/wp-content/uploads/2024/01/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-08-01-24.pdf>

Panamax

The index continues to come under pressure with price USD 544 lower today at USD 13,113. The Feb futures gapped lower on the open with price trading to new lows into the close. We do have a minor divergence in play on the 4-hour chart, not a buy signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored; however, based on a lower timeframe Elliott wave cycle, it is warning that upside moves have the potential to be countertrend in the near-term.

## Supramax

Another bearish index today with price USD 199 lower at USD 13,138. Like the rest of the freight complex, we gaped lower on the open, with the Feb futures trading to a new low. We are in divergence with the RSI, warning we could see a momentum slowdown; however, as noted in the morning technical, upside moves look like they have the potential to be countertrend, based on our intraday (lower timeframe) Elliott wave cycle.

## Oil

Oil declined after Saudi Arabia cut official selling prices for all regions, the latest sign that fundamentals are worsening. West Texas Intermediate tumbled as much as 5%, the biggest intraday drop in more than a month, to trade near \$70 a barrel. State producer Saudi Aramco lowered its flagship Arab Light price to Asia by \$2 a barrel — more than expected — due to persistent weakness in the global market. Its pricing is the lowest since November 2021. Prices were also pressured by a report that some shipping firms made a deal with Houthi militants to get their vessels safely through the Red Sea. Such a pact would affect a broad swathe of commodity markets as the attacks have caused shippers to re-route everything from container vessels to gas carriers. However, the existence of a deal was immediately denied by two large firms (Bloomberg). We were neutral on the morning technical but cautious on upside moves, as the futures were rejecting the daily EMA resistance band whilst failing to hold above the intraday 200-period MA. We are selling lower with price breaching the USD 75.50 support for a second time, warning that technical condition was weakening, implying that the USD 74.31 and USD 72.29 support levels are now vulnerable.

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

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](https://www.freightinvestorservices.com)