



# European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	11625	11975	3.0%	Pmx 1 month forward	12375	12625	2.0%
Cape Q2 24	17375	17425	0.3%	Pmx Q2 24	14675	14950	1.9%
Cape Cal 25	16925	17125	1.2%	Pmx Cal 25	12300	12375	0.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	12075	12125	0.4%	Brent	77.9	77.37	-0.7%
Smx Q2 24	14200	14325	0.9%	WTI	71.91	71.92	0.0%
Smx Cal 25	12325	12325	0.0%	Iron ore	129.35	125.8	-2.7%

Iron Ore

Source FIS/Bloomberg

The Feb futures sold lower in the Asian day session on the back of weak Asian data resulting in price making a new low. This means we are seeing an Elliott wave extension to the downside, implying that we have the potential to trade as low as USD 119.51 within this phase of the cycle. The Futures have seen another small move lower in the Asian day session to close the day at USD 125.30; however, as noted in the morning technical, the futures are in divergence with the RSI, meaning we could see a momentum slowdown. A cautious bear due to the divergence that is in play.

Copper

Copper fell for the fourth time in five sessions, extending losses in the new year, as the latest economic data from top consumer China underwhelmed investors. Gross domestic product expanded 5.2% last year, meeting an official target of around 5%, according to data released by the National Bureau of Statistics Wednesday. Industrial output in December exceeded economists' estimates, while retail sales missed expectations and the urban jobless rate rose (Bloomberg). We were technically bearish in the morning report with price and momentum aligned to the sell side, warning that the USD 8,292.5 fractal support could be tested and broken. The futures have traded to new lows, meaning we have the potential to trade as low as USD 8,216 for this phase of the cycle. However, like iron ore, the new low means we have created a positive divergence with the RSI, warning we could see a momentum slowdown. We are a cautious bear due to the divergence, but maintain our view that upside moves look like they could be countertrend at this point.

Capesize

The index continues to slow with price USD 378 lower today at USD 14,375. The upside move in the Feb contract on the open resulted in the futures trading above the USD 11,765 resistance, meaning the probability of price trading to a new low had started to decrease. We breached the USD 12,675 level later in the session, meaning the technical is bullish; however, we have the 55-period EMA at USD 13,444 which is often a benchmark average for the futures, a close above that holds above the average will further support a buyer's argument. The MA on the RSI is implying momentum is supported, but the RSI is above 50 with the stochastic in overbought territory, suggesting we could see an intraday pullback if we do not see the RSI move above and hold above the 50 level. If we do move lower, then key support is at USD 10,828, if broken the bullish technical will become neutral.

Panamax

The index is USD 228 higher today at USD 11,678, meaning momentum based on price is aligned to the buy side. Likewise, a close above USD 11,942 will further support a bull argument, if the RSI moves above 37.5 (currently 31), then resistance levels will become vulnerable. We had a small move higher on the open today with price initially rejecting the 55-period EMA (USD 12,309). However, post index the Feb contract has moved higher to close above the average at USD 12,625. The MA on the RSI suggests momentum is supported, meaning resistance remains vulnerable. If we can hold above the average, then it will warn that the USD 13,342 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will decrease, meaning the probability of the bearish Elliott wave cycle failing will increase.

## Supramax

The index continues to come under pressure with price USD 237 lower at USD 11,428. The Feb contract is holding as it follows the Panamax path higher; however, price action remains limited due to the weak index, meaning we have failed to hold above the 55-period EMA today (USD 12,249). The MA on the RSI continues to imply that momentum is supported; however, we will now have to close above and hold above the 55-period average and then close above and hold above the 200-period MA at USD 12,935. If we manage that, and trade above the USD 13,188 resistance, then the probability of the futures trading to a new low will start to decrease. The Capesize technical is bullish, the Panamax looks supported with the index now moving higher; however, the Supramax index needs to see a slowdown in the index soon, otherwise this move could struggle to hold.

## Oil

Oil pared losses as tensions in the Middle East, a bullish demand forecast from OPEC and production outages in the US helped combat a risk-off tone in broader markets. West Texas Intermediate was down about 1% near \$72 a barrel, after earlier falling as much as 2.6%. While the rebound mirrored moves in equity markets, major indexes were still down for the session, and the US dollar was up, making commodities priced in the currency less attractive (Bloomberg). The futures have sold USD 1.20 lower today with price trading at USD 77.09 on the E.U. close. This will make for interesting reading on the Aggregate open interest (AOI) in the morning. Will longs Hold? The weekly 200-period MA is at USD 75.25 and has been tested ten times since March 2023, if this holds again then we could see another increase in the AOI; however, if they hold these longs and we start trading below the 75.25 level, then this market has the potential to get messy.

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