



European Close

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

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	14625	14250	-2.6%	Pmx 1 month forward	13575	13625	0.4%
Cape Q2 24	19500	18600	-4.6%	Pmx Q2 24	15600	15700	0.6%
Cape Cal 25	17875	17775	-0.6%	Pmx Cal 25	12625	12650	0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	12900	12775	-1.0%	Brent	78.96	78.43	-0.7%
Smx Q2 24	14775	14750	-0.2%	WTI	74.01	73.32	-0.9%
Smx Cal 25	12525	12600	0.6%	Iron ore	129	129.65	0.5%

Iron ore

Source FIS/Bloomberg

The futures produced a weekly Doji indicating indecision but closed above the 200-period Weekly average. The technical suggests upside moves should be considered as countertrend with price closing the session USD 1.15 lower at USD 128.75, meaning we are below the trend resistance. For more information on the technical, please click on the link. Iron Ore Feb 24 (rolling Front Month) 19/01/24 <https://fisapp.com/wp-content/uploads/2024/01/FIS-Iron-Ore-Technical-19-01-24.pdf>

Copper

Base metals extended Thursday's gains as risk appetite improved across financial markets, even as anxiety about the timing of Federal Reserve interest-rate cuts lingers. Metals from copper to Aluminium edged higher as equities advanced, boosted by a rally in technology companies. Support also came from a weaker dollar that makes commodities cheaper for buyers in other currencies. Copper and other metals have got off to a soft start to the year with investors cautious on the near-term prospects for a reduction in interest rates. Investors will pay close attention to Fed speakers on Friday for further cues on the timing and extent of rate cuts. Traders now see the prospect of easing in March at little more than a coin toss, down from almost 80% at the end of last week (Bloomberg). The futures were not considered a technical sell again today as price was rising on the back of the positive divergence with the RSI. The upside move breached the USD 8,386 resistance meaning the technical has a neutral bias in the near-term, suggesting we are potentially in the Early stage of a countertrend Elliott wave B.

Capesize

A good number today in the index with price USD 3,243 higher today at USD 18,608. The recent upside move in the Feb futures had warned that we the index could turn, however, this also means it had priced it in. We opened with light bid support but have closed the day USD 375 lower at USD 14,250. Based on the intraday RSI high, and the MA on the RSI implying momentum is supported, the technical is warning that downside moves look like they could be countertrend in the near-term. Just an observation but it looks like we have some form of engulfing pattern on the weekly candle, suggesting there could be further upside to come.

Panamax

Another good index today with price USD 514 higher at USD 12,610. The Feb futures however are basically flat on the day with price closing USD 50 higher at USD 13,625. Going into the close yesterday we had a bearish rejection candle in play on the 4-hour chart which has meant that market buyers have had a note of caution today, suggesting they could be looking for a pull-back and better value. The MA on the RSI is implying momentum support, but the RSI is starting to flatten a little at these levels, meaning we could get a technical pullback early next week. However, based on the weekly close, like the Capes, we think there will be further upside to follow.

Supramax

The Supramax has posted a positive number today with price USD 13 higher at USD 11,328, a close above USD 11,594 will mean that momentum based on price is aligned to the buyside. The Feb futures is struggling at the intraday 4-hour 200-period MA (USD 12,904). We have seen limited price action today (USD 200 range) with price closing USD 125 lower at USD 12,755. Like the rest of the freight complex, momentum is supported with downside moves looking like they could be countertrend. The RSI is starting to flatten, meaning we could see a technical pullback soon; however, the weekly chart pattern warns we could go higher after a pullback.

EUA Technical Report

The futures have seen a slowdown after last weeks sell off but the technical has produced a lower weekly close. However, we remain in divergence on the daily chart with the RSI on support, implying caution at these levels. Like last week, we maintain a cautious view on downside moves with upside moves considered as countertrend. For more information on the technical, please click on the link. EUA Technical Report 19/01/24 <https://fisapp.com/wp-content/uploads/2024/01/FIS-EUA-Technical-19-01-2.pdf>

Oil

We have a technical for you today, but just in case you don't click on that link. Oil is holding above the weekly 200-period MA with aggregate open interest rising daily, based on the previous 10 occasions that we have tested the average, it looks like CTA's have gone long, safe in the knowledge that the Houthi's will continue to take pot shots at vessels in the Red Sea. It is almost too easy a trade. Which is why I think market longs are in for a very nasty surprise (I will state, this is my opinion, and not investment advice). If you look at the Aggregate open interest, you will see that we have seen a larger open interest build then the move higher in Dec. In fact, it is about 1.5 times greater, sounds good so far, the market is well supported. However, look at the price movement higher in Jan, and now compare it to the movement higher in Dec, it is less 50% of the movement, but has taken 1.5 times the time. I am no rocket scientist, but if the market is fully loaded and the futures start to drift lower, then we could snowball lower, meaning the 200-period weekly average could be jeopardy. For more information on the technical, please click on the link. FIS Technical – Brent Mar 24 19/01/24 <https://fisapp.com/wp-content/uploads/2024/01/FIS-Oil-Technical-Report-19-01-24.pdf>

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

EdwardH@freightinvestor.com

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