

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	13875	12450	-10.3%	Pmx 1 month forward	13675	13150	-3.8%
Cape Q2 24	19600	19450	-0.8%	Pmx Q2 24	15675	15600	-0.5%
Cape Cal 25	17825	17550	-1.5%	Pmx Cal 25	12575	12525	-0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	12750	12400	-2.7%	Brent	83.69	82.64	-1.3%
Smx Q2 24	14875	15000	0.8%	WTI	78.23	77.04	-1.5%
Smx Cal 25	12425	12425	0.0%	Iron ore	135.6	135.6	0.0%

Iron ore

Source FIS/Bloomberg

Technically bearish with a neutral bias this morning, as the Feb futures had breached the USD 137.06 resistance, meaning that the probability of the futures trading to a new low has started to decrease. We noted that there was a minor divergence in play that needed to be monitored, as it warned that there could be a momentum slowdown; however, the MA on the RSI implied that momentum remained supported. The technical was conflicting but we were cautious on upside moves due to the divergence and the intraday resistance band. The futures have moved sideways in the Asian evening session with price trading up to USD 136.90 before closing the day below the resistance band at USD 136.40. We maintain a cautious view on upside moves at this point.

Copper

The futures were bullish but in a corrective phase this morning with the MA on the RSI implying that momentum was weakening. We noted that that the pullback on the 24/01 was perhaps to shallow to be the corrective phase 4 that we had been looking for, implying an Elliott wave extension had occurred, making UUSD 8,365 the key support to follow. If we held above this level, then we had the potential for one more test to the upside within this phase of the cycle. We traded to a low of USD 8,471 before finding bid support, going into the close we are trading at USD 8,555.50 (USD 10 higher on the day) with the RSI testing its declining average. If the RSI moves above its average, then we could see the USD 8,599 high be tested and broken. However, we remain cautious as the average is warning of momentum weakness still, meaning any upside move could struggle to hold.

Capesize

Having rejected the 200 - period average last week we have seen the index move USD 1,371 lower today to USD 16,337. Due to the weak average the Feb futures have closed USD 1,425 lower at USD 12,450. For more information on the technical, please click on the link. Capesize Technical Report 29/01/24 <https://fisapp.com/wp-content/uploads/2024/01/FIS-CAPE-SIZE-4-PAGE-TECHNICAL-REPORT-29-01-24.pdf>

Panamax

Having seen a slowdown last week the index came in USD 88.00 lower today at USD 13,839. We noted on the morning report that the Feb futures had opened below the weekly pivot level, resulting in price coming under pressure. We also highlighted that the move below USD 13,555 warned that the USD 12,875 fractal support could be tested and broken, meaning we were vulnerable to a move lower in the near-term. We traded to a low of USD 13,050 before finding some light bid support to close at USD 13,150. We maintain our view that we are vulnerable to further downside moves in the near-term, with tomorrow's daily pivot point looking like it could be at USD 13,275; if we open below this level, then we could see the futures trade below the USD 12,875 fractal support. However, one note of caution, going into the close we are holding above the 55-period EMA USD 13,101. This is a benchmark average, if we can hold above this level, and close above the daily pivot, then we could find some buyside support. We are still vulnerable, but the market is in balance as price is above a key average.

Supramax

Not something we see very often, the index was flat today with price remaining at USD 11,711; however, this does represent the continued slowdown in price that we were witnessing last week. We were bearish with a neutral bias in the morning report with the MA on the RSI warning that momentum was weakening. We have seen a very small move lower since the morning report to close at USD 12,400 but remain above the daily 200-period MA at USD 12,271. Technically unchanged from this morning, if we close below and hold below the average, then the USD 11,506 support could come under pressure. Likewise, if we break the average but hold above the USD 11,506 level, it will warn that there is potentially a larger, bullish Elliott wave cycle in play.

Oil

We noted this morning that the intraday technical was bullish as price had traded above fractal resistance. This also meant that the time and price scenario that we have been highlight has failed, as the move higher is now greater than the move in Dec. However, having traded to a high of USD. 84.80 on the open, the futures have sold lower to trade at USD 82.84 going into the close. Effectively, the move above USD 84.13 means that A-B = C-D has been achieved based on the Fibonacci projection, which could account for the move lower. The AOI in the morning will give us a clue to see if market longs have started cashing in.

Ed Hutton

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