

FIS European Close

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| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 18125 | 17450 | -3.7% | Pmx 1 month forward | 14775 | 14875 | 0.7% |
| Cape Q2 24 | 21500 | 21250 | -1.2% | Pmx Q2 24 | 15350 | 15600 | 1.6% |
| Cape Cal 25 | 18700 | 18625 | -0.4% | Pmx Cal 25 | 12775 | 12825 | 0.4% |

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 12250 | 14500 | 18.4% | Brent | 81.71 | 81.33 | -0.5% |
| Smx Q2 24 | 14800 | 14900 | 0.7% | WTI | 75.85 | 76.62 | 1.0% |
| Smx Cal 25 | 12525 | 12500 | -0.2% | Iron ore | 129.6 | 131.2 | 1.2% |

Iron Ore

Source FIS/Bloomberg

Technically bearish in the morning report with the probability of the futures trading to a new high now decreasing, having breached the USD 128.73 support. The MA on the RSI continued to warn of momentum weakness, leaving support levels vulnerable. However, the downside move yesterday had held just above the weekly 200-period MA (USD 127.75) warning there could be longer-term support in the market, implying existing shorts should be cautious. The futures have given back yesterday's gains in the Asian evening session, resulting in the March contract closing the day at USD 128.55, just above the weekly average. It will be an interesting day session in Asian tomorrow, if we close below and hold below the USD 127.75 then there is a good chance we could trade to new lows.

Copper

We noted in the morning report that support levels could be tested and broken due to the futures looking like they had completed this phase of the bullish intraday Elliott wave cycle. We have continued to sell lower with price breaking the USD 8,551 support (current price 8,525), meaning that the probability of the futures trading to a new high has started to decrease. We maintain our view that the USD 8,472 support is vulnerable with upside moves considered as countertrend at this point.

Capesize

Another bullish index today; however, we are slowing down as price was only USD 273 higher at USD 15,953 today. As noted yesterday, and again this morning, we remained cautious on upside moves due to the mean reversion gap between price and the 55-period EMA. Having traded to a high of USD 18,500 we sold lower in the morning session with the March contract closing the day a little lower than this morning at USD 17,450. USD 16,433 is the near-term support to follow, as this is the 200-period daily MA, if we close below and hold below this average then support levels could come under pressure; however, if we hold above it, and the 55-period EMA moves higher, it will warn that we have buy-side support in the market.

Panamax

The index continues to slide with price USD 622 lower today at USD 12,135. The March futures however remain support with price closing the day USD 75 higher at USD 14,850. The mean reversion gap with the 55-period EMA has narrowed to about 11.5%. However, from a technical perspective, the futures are not far off USD 3,000 above the index, so unless we see a slow-down it will be hard to justify opening a long position, as price will be vulnerable to a technical pullback if it widens much further. Going into the close, we remain in divergence on the RSI whilst the MA on the RSI is suggesting momentum is neutral. Based on this we maintain a cautious view on upside moves at this point.

Supramax

The index continues to see small moves lower with price down another USD 74 today at USD 11,526. The index is at an inflection point with the March futures still showing a mean reversion gap. For more information on the technical, please click on the link. Supramax Technical Report 01/02/24 <https://fisapp.com/wp-content/uploads/2024/02/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-01-02-24.pdf>

Oil

Oil rose as OPEC+ signaled that production cuts would continue throughout the first quarter and risk-on sentiment boosted broader markets. West Texas Intermediate rallied as much as 1.5% to trade near \$77 a barrel, largely mirroring movements in the Standard & Poor's 500 Index. OPEC+ nations plan to decide in early March whether to extend output cuts into the second quarter, delegates said. The alliance previously pledged additional curbs of roughly 900,000 barrels a day for the period as global demand growth slows and rival supplies continued to climb (Bloomberg). The downside move yesterday was followed by a gap lower today due to the roll into April. Based on the RSI on the 26/01 the pullback looks like it could be countertrend; however, we closed below the weekly pivot point yesterday (USD 81.77) warning the technical was weakening. We are moving higher today but the MA on the RSI remains weak with price trading at 81.33 at this point, meaning the close could be important here if it is below USD 81.77.

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