



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	18125	20475	13.0%	Pmx 1 month forward	14575	15275	4.8%
Cape Q2 24	21750	23375	7.5%	Pmx Q2 24	15500	16125	4.0%
Cape Cal 25	18925	19725	4.2%	Pmx Cal 25	12850	13275	3.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14600	15225	4.3%	Brent	77.67	78	0.4%
Smx Q2 24	15025	15525	3.3%	WTI	72.41	72.94	0.7%
Smx Cal 25	12550	13075	4.2%	Iron ore	125.6	125.7	0.1%

Iron ore

Source FIS/Bloomberg

Technically bearish in the morning report, we noted that upside moves should be considered as countertrend with Fibonacci projection levels suggesting that we had a potential downside target at USD 122.29; however, below USD 124.55 the futures would be in divergence. The March contract has traded to a low of USD 123.65 with price now in divergence, suggesting caution, as we could see a momentum slowdown.

Copper

Technically bearish with upside moves considered as countertrend this morning based on the RSI making new lows. We did have a note of caution, as the 1-hour futures were in divergence with the RSI, warning that we could see a momentum slowdown and an intraday move higher. However, the futures have continued to sell lower with the divergence failing, meaning we maintain our view that upside moves should be considered as countertrend still.

Capesize

Another positive divergence today with price USD 929 higher at USD 17,766. The March opened the day above the weekly picot point resulting in price seeing a strong move higher to close the day at USD 20,475 (Up USD 2,350). For more information on the technical, please click on the link. Capesize Technical Report 05/02/24 <https://fisapp.com/wp-content/uploads/2024/02/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-05-02-24.pdf>

Panamax

We are seeing a slowdown in the index with price only USD 228 lower today at USD 11,432. The March futures opened the day with bid support on the back of the Capesize strength, resulting in price trading to a new high. However, we have seen little gains since the open as the futures remain in divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown which will need to be monitored. We should note that neither the Capesize nor the Supramax are in divergence at this point, meaning Panamax divergence could fail. The caveat is that the March contract is USD 3,843 above the index, meaning we really need to see some positive numbers in the index soon to avoid a correction or a consolidation in the futures.

Supramax

We have a near identical story in the March Supramax today to that of the Panamax. The index is slowing down with price only USD 35 lower at USD 11,411. The March contract opened with bid support on the back of Capesize strength, with price trading to a new high on the open. There is no divergence in play, suggesting downside moves have the potential to be countertrend; however, the futures are USD 3,814 above the index (March futures up USD 625 to close at USD 15,225), meaning we need to see positive numbers in the physical to avoid a consolidation or correction in the futures.

Oil

Oil edged higher in a choppy session after hawkish comments by Federal Reserve Chair Jerome Powell cooled risk-on sentiment. West Texas Intermediate mirrored broader equity markets. Powell said in an interview Sunday that Americans may have to wait beyond March for rate cuts as the central bank assesses whether inflation is retreating in a “sustainable way.” Meanwhile, the dollar rose to the highest in almost three months, making commodities priced in the currency less attractive (Bloomberg). Bullish with a neutral bias in the morning report with upside moves considered as countertrend. We noted that a move below USD 76.87 would create a positive divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown, implying caution on downside breakouts. We traded to a low of USD 76.62 which triggered the divergence, the futures have since found light bid support with price trading at USD 77.87 (as of 17.22 GMT). We maintain our view that upside moves look like they will be countertrend at this point.

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