



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21625	21375	-1.2%	Pmx 1 month forward	15750	15875	0.8%
Cape Q2 24	24625	24650	0.1%	Pmx Q2 24	16600	16725	0.8%
Cape Cal 25	20050	20075	0.1%	Pmx Cal 25	13400	13475	0.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15125	15262.5	0.9%	Brent	83.58	83.44	-0.2%
Smx Q2 24	15550	15875	2.1%	WTI	#N/A N/A	79.43	#VALUE!
Smx Cal 25	12800	12875	0.6%	Iron ore	131.1	127.25	-2.9%

Iron Ore

Source FIS/Bloomberg

With the market closed last week due to the CNY we witnessed a gradual upside move in the futures on the back of a positive divergence with the RSI. However, the DCE open came the same negative sentiment that we were seeing pre-CNY with the March futures selling lower in both the Asian day and evening sessions, to close at USD 126.20. We had seen a 5-wave pattern to the downside on the lower timeframe that had ended in divergence, warning resistance could come under pressure. The rejection of the USD 131.74 level means that the USD 123.65 fractal low is starting to look vulnerable. This is where the technical could get a little tricky, it could be that there is some form of lower timeframe Elliott wave extension that is not apparent yet, or it could be that it is a higher timeframe cycle that will have longer-term bearish implications going forward. If we trade to a new low and the intraday 4-hour divergence fails, then it could be the higher timeframe scenario; likewise, if we make a new low but remain in divergence, it will warn of a lower timeframe scenario. At this point, it is a little early to tell, but based on today's price action, support is starting to look like it could come under pressure.

Copper

Iron ore tumbled following a five-day run of gains and copper declined as China's markets reopened, with investors weighing prospects for near-term demand in the world's largest metals consumer. Iron ore futures dropped from the highest close since the end of January, slumping as much as 3.4% before paring losses. While Premier Li Qiang called for "pragmatic and forceful" action to boost confidence in the economy, Beijing opted to keep the interest rate on its one-year policy loans steady. Iron ore has backtracked this year amid concerns over China's long-running property crisis, a sector that accounts for close to 40% of steel demand. Further insights into the outlook will come this week as major iron ore producers including BHP Group Ltd. and Rio Tinto Group are scheduled to unveil earnings (Bloomberg). The futures moved lower on the open before moving sideways for the remainder of the session, with price around USD 55 lower going into the close at USD 8,434. From a technical perspective, the MA on the RSI is indicating that momentum is supported whilst the RSI has broken resistance on its move higher, warning downside moves have the potential to be countertrend. If we do see a move below USD 8,294 then the probability of the futures trading to a new low will start to decrease.

Capesize

The index is only USD 74 higher at USD 20,378 today. The futures opened lower but found light bid support; however, post index the March has sold USD 250 lower to close the day at USD 21,375. For more information on the technical, please click on the link. Capesize Technical Report 19/02/24 <https://fisapp.com/wp-content/uploads/2024/02/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-19-02-24.pdf>

Panamax

The index continues to remain supported with price USD 315 higher at USD 13,796 today. Having moved lower on Friday the March futures produced a small gap higher on the open, resulting in price trading above the USD 16,325 high. However, as noted in the morning report, the new high has created another negative divergence with the RSI, not a sell signal, it warned we could see a momentum slowdown. Post index, the futures have seen a small sell off to close the day only USD 150 higher at USD 15,900. Due to the divergence in play, we maintain a cautious view on upside moves at this point.

Supramax

Buyside momentum is starting to increase with the index USD 202 higher at USD 11,985 today. Like the Panamax, the futures opened supported with price trading to a new high (USD 15,625) before selling lower on the back of the negative divergence with the RSI, we close the day USD 137.5 higher at USD 15,262. In theory we have a potential to trade as high as USD 17,979 for this phase of the cycle; however, the divergence suggests caution whilst the index carry is significant enough to suggest the futures will struggle to run without strong physical support from here.

Oil

The crew of a commercial ship in the Red Sea abandoned the vessel following a Houthi attack — the first such evacuation since the militant group began menacing trade in the vital waterway late last year. The strikes on the Rubymar, a relatively small cargo ship, were on the engine room and at the front of the vessel, a company official at GMZ Ship Management Co. in Lebanon said by email. There have been no reports of injuries to the crew, who are being taken to Djibouti, the official said. The UK Navy said the ship is continuing to receive military assistance. The ship-abandonment is a milestone in the violence that has swept through the Red Sea since November, when the Iran-backed Houthis escalated their attacks with a barrage of missiles and drone strikes on the merchant fleet. A tanker carrying Russian fuel was set ablaze in January (Bloomberg). It is very hard to read the intraday technical at this point, the futures have moved higher due to the continued tensions in the red sea. However, it is still very difficult to see if this will be some form of wave extension, or the start of a larger bullish Elliott wave cycle. For now, I am taking a cautious view as the AOI has started to drop a little on upside moves whilst the intraday RSI is divergent. This is not a sell signal, but both signals warn that buyside momentum could be slowing down at this point.

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