



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	27875	25325	-9.1%	Pmx 1 month forward	15425	15000	-2.8%
Cape Q2 24	29475	27500	-6.7%	Pmx Q2 24	16775	16600	-1.0%
Cape Cal 25	21525	20825	-3.3%	Pmx Cal 25	13575	13525	-0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15050	14725	-2.2%	Brent	81.58	82.24	0.8%
Smx Q2 24	15875	15600	-1.7%	WTI	76.57	77.28	0.9%
Smx Cal 25	13025	12900	-1.0%	Iron ore	119.95	115.2	-4.0%

Iron Ore

Source FIS/Bloomberg

Iron ore fell to the lowest since October — after dropping almost 9% last week — with hopes for a rebound in Chinese steel demand following the Lunar New Year holidays fading. Futures for the steelmaking ingredient lost as much as 3.6% in Singapore on Monday, a worrying sign given that March and April, typically busy months for construction in China, are fast approaching. Vale SA, the world's second-largest iron ore producer, said it's seeking to increase its sales outside of China, an indication that miners aren't optimistic about a revival (Bloomberg). We noted this morning that the futures were seeing some form of wave extension to the downside. However, we were in divergence which needed to be monitored in case we saw a momentum slowdown. The March contract is another USD 1.50 lower at USD 113.95 going into the close. We remain bearish with the divergence now marginal, if the RSI makes a new low, it will warn that we could see further downside within this phase of the cycle.

Copper

Technically bullish this morning with the futures moving lower in what looked to be a countertrend move. We noted that if we closed below the weekly pivot level (USD 8,524), it would warn that the USD 8,447 – USD 8,331 Fibonacci support zone could come under pressure. Going into the close we are trading USD 109 lower at USD 8,458.5, meaning support levels are looking vulnerable. The MA on the RSI is implying that momentum is starting to weaken, if we trade below USD 8,331, then the probability of the futures trading to a new high will start to decrease.

Capesize

The upside move in the index is now slowing with price only USD 154 higher at USD 26,233. The futures opened below the daily pivot point today and immediately sold lower, resulting in price closing the day USD 2,500 lower at USD 25,375. There is a chance that we could yet see another intraday test to the upside; however, for more information on this, you will need to look at the weekly technical. Capesize Technical Report 26/02/24 <https://fisapp.com/wp-content/uploads/2024/02/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-26-02-24.pdf>

Panamax

The index continues to weaken with price USD 156 lower today at USD 12,865. The futures opened the day in bullish territory with price continuing to trade around the 55-period EMA; however, we noted that the futures were trading below the weekly pivot level (USD 15,550) with the MA on the RSI warning of momentum weakness, despite the RSI being above its average. The March contract is closing the day USD 575 lower at USD 15,000. As previously noted, we remain cautious on upside moves at this point, as the RSI has recently made a new low. However, we should note that key support is at USD 13,867, below this level the probability of the futures trading to a new high will start to decrease.

Supramax

Another bull index today with price USD 98 higher at USD 13,175. The futures have been in a consolidation phase for the last few weeks; however, we noted in the morning report that that momentum was weak whilst price was below the daily and weekly pivot levels. If we closed below USD 14,750 then we could see technical support come under pressure. We have moved lower with the March contract closing USD 375 lower at USD 14,675, putting price just below the 55-period EMA. The technical is starting to weaken, warning the Fibonacci support zone (USD 14,192 – USD 13,150) could come under pressure. Key support is at USD 13,150, downside moves that hold above this level will warn we could still see another move higher; if broken, then the probability of the futures trading to a new high will start to decrease.

Oil

Oil edged higher as physical markets in the US strengthened and exports from an oil field in Libya were disrupted. West Texas Intermediate futures climbed around \$77 a barrel after shedding 3.4% last week, while Brent traded near \$82. Trading volumes were muted as several market participants attend International Energy Week in London, a major industry gathering, where they are set to weigh the outlook for oil this year. US physical crude prices strengthened in recent weeks to the highs of the year as refineries benefiting from strong margins snapped up barrels and foreign buyers turned to American crude to avoid Red Sea shipping issues. At the same time, exports from an oil field in western Libya and a subsea natural gas link to Italy were closed following protests (Bloomberg). I wrote technically bearish on the last paragraph of the morning report; however, if you carried on reading you would have seen that it was bullish but with a neutral bias. We noted this morning that the futures were moving lower on the back of a negative divergence, warning that the USD 80.72 support could be tested and broken. We traded to a low of USD 81.00 before finding bid support with price trading at USD 82.18 going into the close. The MA on the RSI is warning of momentum weakness, but price is now testing the weekly pivot level at USD 82.32. If we close above this level on the daily chart, then market shorts will need to be cautious, as it warns that momentum based on price is increasing.

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

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com