

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21000	24200	15.2%	Pmx 1 month forward	20875	19825	-5.0%
Cape Q2 21	22666.5	23458.5	3.5%	Pmx Q2 21	19600	19625	0.1%
Cape Cal 22	16700	16875	1.0%	Pmx Cal 22	12725	12750	0.2%

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Smx 1 month forward	17975	17500	-2.6%	Brent	63.96	63.88	-0.1%
Smx Q2 21	16950	17400	2.7%	WTI	60.39	60.94	0.9%
Smx Cal 22	12000	12100	0.8%	Iron ore	156.5	155.5	-0.6%

Data Source FIS and Bloomberg

## Iron Ore

China manufacturing PMI rose to 51.9, up from 50.6 beating estimates and suggesting the economy is improving as we enter the busier season for industrial activity. (Bloomberg). The iron ore market showed little reaction to the improved data with the offshore futures moving sideways and closing the evening session 15 cents below yesterday's close. Rebar futures reacted in a similar fashion, except the futures are near recent highs, warning that we could be seeing trend exhaustion. The Iron ore May contract still has a bullish head and shoulders in play, but again, a bullish pattern with bullish news and no upside follow through is a cause for concern.

## Capesize

Remembering it is the futures roll today so the front month futures are not 15% higher. However, overnight activity out of Vale has seen a rise in the April futures by USD 750, to USD 21,750. The index came in only USD 55 lower to USD 18,327, showing a momentum slowdown based on price. Technically the trend remains bullish with the rolling front month (May) now only USD 875 off the high, suggesting we could test this in the next day or so though. A new high will create a negative divergence with the RSI, warning of a potential for a momentum slowdown if we do trade above the USD 25,000 level.

## Panamax

A strong correction in the Panamax index today, down USD 1,319 to USD 21,852, resulted in the May futures closing just below the support zone that we highlighted yesterday (USD 20,684—USD 19,966). Support is breached as the close is USD 200 below it, however if we move much lower tomorrow the probability of this being a longer-term correction increases. The Q2 on the other hand has proven to be resilient with the futures closing just above the support zone, leaving the potential for a bullish Gartley pattern still in play.

## Supramax

The index continues to steadily erode between USD 400—USD 500 and now sits at USD 20,578. As highlighted yesterday the paper market has acted accordingly with the April futures up USD 575 to USD 18,550, effectively taking USD 1,000 to USD 2000. The May futures have the greater disparity but also the greater time value resulting in a move higher of USD 375, to USD 17,475. The next major support for the May contract is now around the USD 16,775 level.

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Oil

Little news on the wire today ahead of the OPEC meeting tomorrow having already lowered their demand forecast. Daily price action that is now in a range between the USD 65.46—USD 63.13 as it awaits the results of the meeting. The market is consolidating with expectations that a cautious strategy will be rolled into Q2. Longer-term demand is unlikely to increase due to the rapid emergence of the electric vehicle, however careful management of supply would suggest that prices should remain stable for the time being at least. If for any reason the rhetoric is negative, then based on the initial move lower the futures would target USD 54.50

Have a nice evening.

Ed Hutton