

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	29250	27375	-6.4%
Cape Q2 21	28075	26208	-6.7%
Cape Cal 22	18000	17900	-0.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	18250	18175	-0.4%
Pmx Q2 21	18025	17925	-0.6%
Pmx Cal 22	13125	13075	-0.4%

	Previous Close	Current Close	% Change
Smx 1 month forward	18050	18100	0.3%
Smx Q2 21	18125	18150	0.1%
Smx Cal 22	12200	12200	0.0%

	Previous Close	Current Close	% Change
Brent	63.2	63.85	1.0%
WTI	59.63	60.3	1.1%
Iron ore	166.3	166.05	-0.2%

Data Source FIS and Bloomberg

Iron Ore

Price manipulation or a silly fat finger has resulted in the May offshore contract being high ticked at USD 186.00. One assumes that the exchange will break this trade as it is USD 20.00 above the current market level. Unfortunately, that was the most interesting thing to happen in the iron ore today with price sitting below our USD 167.57 resistance and above our USD 162.29 support. Iron ore imports topped 100 million tons in March with Copper purchases hitting a record 2.17 million tons (Bloomberg). With Margins at RMB 1,275 and construction costs going up it does beg the question of when will we see a rise in steel imports? Keep an eye on the weekly chart as there is a symmetrical triangle forming, it may come to nothing, but just in case.

Capesize

Upside momentum has slowed in the Capesize index today, up USD 79 to USD 26,055. We are still USD 3,000 below our near-term target leaving me a little worried that I may end up with egg on my face! The May futures have had a price adjustment to bring itself more in line with the index, down USD 1,875 to USD 27,375 will leave the futures less vulnerable to a price shock. However, we have some concerns regarding the daily close as it is below the low of the high candle (not a bearish engulfing but a similar pattern). Recent closes of a similar pattern have resulted in the futures testing the 21 period EMA which is currently at USD 23,741, warning we could potentially see some follow through tomorrow.

Panamax

Index momentum continues to slow, and this has resulted in an ease on the selling pressure. Technically we are not bullish as fractal resistance is at USD 26,250 on the daily chart, meaning there is a long way to travel for a bona fide buy signal. For this we need to look at the intraday technical where we have fractal resistance at USD 18,550 on the 4—hour chart. Upside moves that trade above this level would create a higher high in the market making the intraday bullish at least. The market will still be vulnerable until we have seen a fractal break in on the daily tech; however, we could see a new fractal form at lower levels. At this point relief is coming from a lack of selling pressure and not bulls trying to take control.

Supramax

The index has stopped going down for now as it remains on a wave 4 correction of an extended wave 3. Seasonality charts have lost some value this year due to the magnitude of the upside moves, however the shape is where our focus is and that would suggest that average corrective period for this time of year ends on the 7th of June based on the 5-year average. Our wave analysis would suggest late April or early May, leaving us to wonder if any upside move in the index from here will be a bull trap? Flat futures today with little to report.

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Oil

Oil, Nickel, and copper have one thing in common. Every day I must find something interesting to say about a market that is in a range, to be honest it can be a struggle. However, for oil we have a little bit of hope on the basis that although the market is in range, it is climbing the -61.8% Fibonacci support below the bullish channel (see last week's technical to get a visual). We have a long way to go to be considered as bullish, but with record vaccination levels in the U.S. and the Saudi Energy Minister saying last week that if prices fall it will be easy to reverse the last OPEC decision. It really is hard to justify a sell after a veiled threat that the cartel will come at you if you take them on, this is not like a funds picking of government debt, they really can just turn the taps off and run you over!

Have a nice evening.

Ed Hutton