FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COAL



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	Previous	Current			Previous	Current	%
	Close	Close	% Change		Close	Close	Change
Cape 1 month forward	29875	31625	5.9%	Pmx 1 month forward	21125	22825	8.0%
Cape Q3 21	26450	27225	2.9%	Pmx Q3 21	18275	18950	3.7%
Cape Cal 22	18350	18625	1.5%	Pmx Cal 22	13475	13600	0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change			
Smx 1 month forward	20125	22000	9.3%	Brent	66.28	66.47	0.3%			
Smx Q3 21	16625	17650	6.2%	WTI	62.75	62.94	0.3%			
Smx Cal 22	12400	12550	1.2%	Iron ore	166.55	171.95	3.2%			
					Data Source FIS and Bloomberg					

## Iron Ore

Iron ore futures have traded to a high of USD 173.00 today in the back of increasing margins and strong consumption, with the world steel association saying that global steel demand is rebounding above pre-pandemic levels with demand expected to grow 5.8% to 1.87 billion tons this year (Bloomberg). The offshore futures have closed on their highs having tested a major trend resistance at USD 172.11. The trend will set the near-term directional bias, if it holds then the futures could trade down to the mean value of the symmetrical triangle around the USD 159.50 level. However, if resistance is broken then the near-term resistance is at USD 185 with a potential upside target at USD 2,06.15.

## Capesize

The index is nearing our near-term upside target of USD 29,000, up USD 1,925 the index is now pricing at USD 28,056. Not really sure where my math went wrong but we have now moved 41.32% since the RSI break out, suggesting I need to revise my upside target to USD 30,324 as this would be a 53% move. We plumped for a new intraday bull cycle yesterday rather than an extending wave on the existing trend at this looks like it could be the correct, either way we plumbed for bull and the may is up USD 1,625. Technically bullish the index now needs to push on otherwise we could see some profit taking coming into the market for the weekend

## **Panamax**

Up USD 1,953 to USD 18,774 on the index today would suggest although bullish we still lag the May futures by nearly USD 4,000. A strong upside move in the futures this morning saw the may contract trade to a high of USD 23,000 before consolidating the balance of the day around USD 500 lower. The consolidation could just be a holding pattern or it could warn that the futures might enter into a corrective phase tomorrow as it looks to close the disparity gap with the index. The intraday 1-hour chart is in divergence warning we could see a some for of intraday pullback soon.

## Supramax

The Supramax index underperformed compared to the its bigger sisters today (Up USD 306 to USD 19,921), however the May futures looked to be undeterred and decided that it was going to keep the PMX v SMX spreads is line wit ha USD 1,875 upside move. Technically the intraday is showing a bullish impulse move, however the index is now going to have to show the same bullish momentum as the PMX index otherwise we could see a corrective move lower to balance the disparity. The futures are bullish but we need to see index support very soon.

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Oil

A strong upside move yesterday was supported by an open interest build that would indicate the market is getting long and has the expectation of higher pricing. The +5% move yesterday did not get the follow through today with sideways action trading around yesterday close. News on the wire seems to be along the lines of rising global supply despite yesterday draw whilst the market is being supported a favourable outlook for the global economy and a weaker U.S. dollar (Bloomberg). All of this is true, however it could be just the market has consolidated after a big move up with market buyers looking to see if the USD 65.46 range resistance will be tested. If it is and they defend it we should in theory push, the market is ready for a bull move but will need to see more positive news first.

Have a nice evening.

**Ed Hutton** 

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