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



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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	33250	34625	4.1%	Pmx 1 month forward	24800	25125	1.3%
Cape Q3 21	27500	27600	0.4%	Pmx Q3 21	19500	19775	1.4%
Cape Cal 22	19075	19175	0.5%	Pmx Cal 22	14000	13900	-0.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change		
Smx 1 month forward	23750	23750	0.0%	Brent	66.31	65.29	-1.5%		
Smx Q3 21	18225	18900	3.7%	WTI	62.61	61.3	-2.1%		
Smx Cal 22	12875	12950	0.6%	Iron ore	182.7	181	-0.9%		
					Data Source FIS and Bloomberg				

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Iron Ore

A technical pullback in the futures today after price traded within 11 cents of the near-term technical resistance. The futures have pulled back to the just above the 21 period EMA with wave analysis suggesting downside moves should be considered as countertrend. Aggregate open interest in the DCE futures has dropped a little but nothing significant so far, we could potentially be entering into a wave 4 corrective phase of this phase, as the 1-hour RSI produced a negative divergence on the USD 184,90 high with support on the May futures at USD 179.23, USD 177.48, and USD 175.10. Downside moves below the USD 175.10 level would take the technical into a neutral phase. News on the wire is directed more at mining debt and Chinese plans to become carbon neutral, rather than price movement.

Capesize

The index soared like a salmon today to come in USD 4,638 higher at USD 33,290. there had been some talk of plus USD 6,000 which pushed the May futures up to a high of USD 36,125 in the European morning session, before pulling back around USD 2,000 dollars this afternoon on some profit taking. The disparity between the index and the rolling front month futures is now down to USD 1,335 which is art a very manageable figure. Now in any normal market we would expect follow through tomorrow on the index, but this is Capes, so anything is possible; however, the upside push in the technical has taken lower timeframe oscillators to new highs, suggesting we still have further upside within this move on the futures. You have a support zone between USD 33,851—USD 32,287 which market bulls should defend, if we do go below the USD 32,287 the intraday futures will be considered as neutral and warn that the wave cycle could fail.

Panamax

The May futures lost the run of themselves on the back of higher pricing in the Cape futures on the open, with the disparity between the two growing to USD 4,361. Although is a bit of a gap, the reality is it is only around 1.2 on the ratio. However, the index came in up USD 1,196 to USD 22,870 and the futures closed the day USD 1,000 of their highs, taking the ratio to 1.14, which in dollar terms is a very respectful USD 2,225. From a technical perspective we are seeing a negative divergence on the lower time frames warning that we have the potential for a momentum slowdown, however we have not entered corrective territory just yet and still have the potential for further tests to the upside, as there is room to be in divergence for a while.

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Supramax

The index continues to plod along producing plus 500 index's each day and this has been reflected in the May futures which continues to hold a bullish trend. Flat on the day in what looks like it is a correction wave 4, there is a momentum divergence on the 60 min chart, but our wave analysis would suggest there is more upside in the trend with the futures still not having created a new high at this point. Bullish with potential further upside, the futures look to be entering a corrective phase at this point.

Oil

So, on yesterday's technical we noted that the futures were at a major trend resistance with the stochastic overbought with aggregate open interest flattening out, leaving the technical vulnerable to a pullback, which we are currently seeing. The big question is, are we bullish or bearish. Crystal ball aside, OPEC are unlikely to make any policy changes at the next meeting but can do so if the price of the black gold is coming under pressure. The technical would suggest that there is more upside in this trend, but the real question is. Have we just seen a wave B upside countertrend that is about to produce a bearish wave C, or are we already in the early stages of the bullish wave 5? The answer is not going to be that helpful. If we trade above the USD 68.08 then we have a much higher probability of being in a wave 5; likewise, if we trade below the USD 63.57 level then it is probably a bearish wave C. We have USD 64.67—USD 64.62 as a Fibonacci overlap making it a key level of support, if we break it then market sellers could gain in confidence.

Have a nice evening.

Ed Hutton

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