European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	34625	33675	-2.7%	Pmx 1 month forward	25125	22250	-11.4%
Cape Q3 21	27600	27200	-1.4%	Pmx Q3 21	19775	18625	-5.8%
Cape Cal 22	19175	18875	-1.6%	Pmx Cal 22	13900	13750	-1.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change	
Smx 1 month forward	23750	22925	-3.5%	Brent	65.32	65.49	0.3%	
Smx Q3 21	18900	18175	-3.8%	WTI	61.35	61.51	L 0.3%	
Smx Cal 22	12950	12850	-0.8%	lron ore	180.97	178.99	9 -1.1%	
					Data Source FIS and Bloomberg			

Iron Ore

In the morning tech we noted that momentum was vulnerable to an upside move on the May contract due to an oversold stochastic whilst the RSI is still above 50. Price is now USD 3.30 off its low with the futures closing above the 8—21 period EMA. On the wire there is a headline Iron ore prices soar as Brazil's vale underperforms, but this looks to have been a delayed article for the 20/04 which is probably good as we are still 5 bucks off the high. Rebar continues to make new highs with steel margins at RMB 1,187, there has clearly been no slowdown in output based on the march steel production figure meaning we remain bullish and regard this as a corrective move lower and not bearish.

Capesize

Up USD 518 on the index today to USD 33,808 means we continue to see positive numbers after yesterday big jump higher. The futures have continued to pullback during the day to close around the USD 33,675 level, however we are seeing some late bids post market which would support our intraday wave analysis, which suggests downside moves should be considered as countertrend. The index and the May futures are now at equilibrium, based on our wave analysis if the futures hold around these levels, we have a potential near-term upside target for this phase at USD 39,139.

Panamax

Having seen gains of USD 1,000 plus in recent days the index came in USD 30 down today, resulting in in the May futures moving 11% lower and the Q3 5.4%. Fromm an intraday technical perspective this has spoilt the bull party as the deep pullback means the technical is now neutral with the futures in a corrective phase. The problem for me is I have this move in the index as a bullish wave 5 of a very extended wave 3 (starting on the 11/11/20). The second issue I have is with the rolling front quarter, I see the same cycle, a bullish wave 5 for an extended wave 3; meaning I am targeting the rolling front QTR to trade above the USD 26,475 level. This would suggest the lower timeframe 5 wave sequence is only part of the larger cycle. Market buyers will not want to see the Q3 trade below the USD 16,973 level. We are going to keep are bull hats on for now and go with this being a countertrend move.

Supramax

As consistent as ever the index came in up USD 6,60 today, to USD 22,411, we are now within USD 1,000 of the USD 23,458. On the futures the Panamax have spoilt the party resulting in a technical pullback of USD 825, to USD 22,925. However, the morning technical has been expecting a corrective wave 4 and this is now in play. Wave analysis would suggest his market is still bull with the downside move considered as countertrend.

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

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Oil

Nothing groundbreaking on the wire with the futures basing within 4 cents off our key support, if we hold then we can expect a push to the upside with key resistance at USD 68.08, if we can trade above this level then we should target the USD 71.38 high. One interesting story on the wire is that NYC is suing four oil majors and the American Petroleum institute for systematically and intentionally deceiving new Yorkers about the leading role fossil fuels play in driving climate change (Bloomberg). For some reason this reminds me the Liebeck v McDonalds hot coffee lawsuit in 1994, I do not think we need to take that one any further...

Have a nice evening.

Ed Hutton

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