European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	39125	39500	1.0%	Pmx 1 month forward	23950	24875	3.9%
Cape Q3 21	29500	30450	3.2%	Pmx Q3 21	20375	21175	3.9%
Cape Cal 22	19650	20075	2.2%	Pmx Cal 22	14525	15025	3.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	23200	23800	2.6%	Brent	67.27	68.34	1.6%
Smx Q3 21	19125	19375	1.3%	WTI	63.86	64.78	3 1.4%
Smx Cal 22	13375	13775	3.0%	Iron ore	187.45 Data So	187.7 urce FIS and B	7 0.1% Bloomberg

Iron Ore

Iron ore remains in a corrective phase with the May trading down to USD 184.50, as it proves to be rather resilient in this corrective wave 4. The issue is the steel futures which continue to make new highs on the back of China's emission crackdown. Tariffs being lifted on the 1st of May has shown the intent of the government to cut steel production, however this will take time to filter through, meaning rebar is supported, margins are high, and mills continue to draw. We are seeing some risk off on the DCE contract with the aggregate open interest dropping with price, it is not an aggressive drop at this point suggesting the market is not convinced it will be a large sell off due to the time lag, however if that OI starts dropping aggressively then it would suggest mills are unwinding which would withdraw support from the market.

Capesize

I think the expression is treading water, taking a breather, consolidation. The May contract is up today and has made a new high above the USD 39,500 level; however, we have spent the bulk of the day holding between the daily pivot point (USD 39,041) and the USD 39,875 level. The index is up, but steady and is now near parity to the futures, which would again suggest caution in the paper market. Our intraday wave analysis indicates we have had a wave 3 extension which has now achieved the minimum requirement for phase completion. The lower timeframe technical remains in bull territory with a potential upside target zone between USD 42,375—USD 43,660. We are due a correction, but this could now come via the roll into June which is trading at a 3k discount to the May futures.

Panamax

Business is resumed in the Panamax index which came in USD 525 higher today, at USD 22,449. The close above the USD 22,056 means the momentum is improving based on price giving the paper market the confidence to move higher during the European session, to close on the high of the day. We still target an upside moves above the USD 26,184 level in the index suggesting downside moves should find buying support in both the May and June contracts. USD 26,125 is the near-term upside resistance/target in the futures, however if we are correct on our cycle analysis, we should see the rolling front month trade above the USD 28,250 high. Market bulls will not want to see fractal support at USD 21,325 broken as it would suggest we are in an elongated wave 4, we think it is bull wave, but we must highlight both sides of the argument.

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

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Supramax

I am not going to dwell on the Supramax today as the futures are again moving higher but remain in what looks like a corrective wave 4 on the intraday 47 min chart. If we go above 24,500 it will confirm my bullish wave 5 is in play with the expectation that the USD 24,875 should be broken. An oversold stochastic on the 4—hour chart with the RSI above 50 gives me confidence that momentum is on our side.

Oil

Positive and negative emotions today, the futures produced a corrective pullback in the U.S session rather than in Asian hours, setting the market up for another bull rally. The positive is the futures have now broken the USD 68.08 Fractal resistance, this means the upside move that started from the low on the 23/03/21 has produced 5 waves, making the move bullish impulse, as corrective waves move in 3's. The USD 71.38 level is now a legitimate upside target which could be tested. Markets bulls will not want to see the futures trade below the USD 66.06 level, as it would take the futures into a neutral phase and warn the technical picture is weakening. The negative is I drive an automatic that drinks petrol!

Have a nice evening.

Ed Hutton

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