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	33050	31000	-6.2%	Pmx 1 month forward	24200	23825	-1.5%
Cape Q3 21	35000	33417	-4.5%	Pmx Q3 21	24725	23825	-3.6%
Cape Cal 22	21125	20950	-0.8%	Pmx Cal 22	16500	16175	-2.0%

	Previous	Current			Previous	Current	%
	Close	Close	% Change		Close	Close	Change
Smx 1 month forward	26750	27250	1.9%	Brent	68.65	68.89	0.3%
Smx Q3 21	24800	25150	1.4%	WTI	66.07	66.23	0.2%
Smx Cal 22	15650	15775	0.8%	Iron ore	182.89	172.4	-5.7%

Data Source FIS and Bloomberg

Iron Ore

More intervention today after the Chinese banking regulatory agency instructed banks to stop selling investment products related to commodity futures investment, to retail investors; with existing products needing to be liquidated as soon as possible (Bloomberg). The market reacted accordingly with a price drop in the June futures of USD 10.00, to USD 172.40, which has put the futures near the base of our support zone. If the futures trade below and close below the USD 169.30 level, then we target USD 162.00. Technically on a support zone but it is hard to find a bull argument when the Chinese government have so many cards up their sleeve.

Capesize

The index is now below USD 30,000 having closed USD 1,434 lower today, at USD 29,620. The futures priced this in on the open with the June contract dropping USD 2,300 to a low of USD 30,750 before closing at USD 31,500. The downside moves created a positive divergence with the RSI, not a sell signal it does warn of the potential for a momentum slowdown. The futures have stopped going lower on the back of the divergence but will need to open above the USSD 31,541 level if we are to see some bullish price action in the morning. If we do trade above the USD 33,500 level, we target USD 35,675 then USD 38,625. key support remains at USD 28,210.

Panamax

With the index and June futures near equilibrium yesterday, it is no surprise to see the paper is now tracking the index. Down USD 382 to USD 23,567 has seen an increase in downisde momentum in the index, the June paper followed suit to close USD 375 lower, having initially followed cape sentiment lower on the open, to trade down to USD 23,250; however, price recovered this afternoon to finish the day at USD 23,825. If the 4—hour intraday closes above the USD 24,500 level, then the futures will target USD 26,250. likewise, if the USD 22,625 support is broken, we target the USD 21,325.

Supramax

Strong like bull. As the shipping complex comes under pressure, the Supramax index is the light bearer, up USD 468 today to USD 27,413 has resulted in an about turn in the June futures. 1—hour price action is now bullish, however 4-hour price action is only considered as bullish above the USD 28,250 high. Downside moves below the USD 26,800 level would be considered as technically weak and suggest we could target the USD 26,200 support. Technically bullish with momentum increasing based on price.

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Oil

We had resistance at USD 70.24 last night which the futures got close to with a high of USD 69.17. We noted on the morning technical that the 1—hour chart was showing a negative divergence which resulted in a technical pullback this morning. However, prices have held after shrinking crude inventories and further signs of a demand pick-up in the U.S. ahead of the summer season (Bloomberg). The futures rebounded off their lows to finish the European session unchanged on the day. The divergence remains in play, meaning we need to see a strong upside move to shift the RSI higher, otherwise we could see price drift again.

Have a nice Evening.

Ed Hutton

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