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	38500	41250	7.1%	Pmx 1 month forward	32075	33800	5.4%
Cape Q3 21	38600	41125	6.5%	Pmx Q3 21	31200	32675	4.7%
Cape Cal 22	24375	24750	1.5%	Pmx Cal 22	18300	18900	3.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	33050	33350	0.9%	Brent	73.07	73.82	1.0%
Smx Q3 21	31300	32025	2.3%	WTI	71.19	71.94	1.1%
Smx Cal 22	17375	17975	3.5%	Iron ore	211.95	210	-0.9%

Data Source FIS and Bloomberg

Iron Ore

Iron ore followed the base complex lower on the open today due to fears that China will soon start selling some of its commodity reserves. However, expectations that May could show another production record resulted in the downside sell off being short lived with the July contract trading USD 8.00 higher within 4-hours. The futures failed to trade above the USD 214.50 high, leaving the technical vulnerable to further technical sell off's. USD 205.35 is now a key intraday support as downisde moves that close below this level would warn of further technical weakness; likewise, a close above USD 211.5 would suggest the USD 214.5 and USD 217.8 resistance levels could be tested. The intraday is corrective, it is not considered as bearish at this point, below USD 205.35 questions will be asked, as this is below the base of the rejection candle this morning.

Capesize

The futures gapped up on the open having sold off USD 1,700 yesterday. The upside spring indicated a shallow pullback within an intraday wave cycle, putting the lower timeframe on a bullish wave 5 (23 min cycle). This tells us two things, 1) the minimum requirement for phase completion has been met on the high above USD 39,875, 2) the same wave analysis gives us an upside target at USD 46,147, this fits our higher timeframe wave analysis that had indicated there was another bull wave to come. The paper is resilient to the index lag due to better fixings in both basins over the last couple of days. However, as previously stated the index needs to start performing otherwise market longs will have to cut some risk exposure.

Panamax

The index produced another solid figure today to come in USD 577 higher, at USD 29,328, resulting in another push in the July futures which have now traded above Friday's USD 33,250 high. Both the index and paper are bullish, the break in trend support seems to have resulted in a one-day correction which is often a bullish indicator in its own right (Gann). One issue, we do have is a negative divergence on the intraday 4-hour chart, this does warn of the potential for a momentum slowdown. Market bulls will want to see the RSI above 77.5 (currently 72) otherwise we could see the market produce a technical pullback. This divergence is also present on the Q3-21 futures meaning it is not localized and needs to be monitored closely.

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Supramax

The July futures are higher today by USD 300 to USD 33,350, however the reality is the upside moves is slowing down, suggesting we are in some form of consolidation period. The technical remains bull with the index continuing to perform, but at USD 29,332 it is showing some signs of a serious lag. The paper has two choices, consolidation of correction, at this point it is consolidating as it waits for the index to catch up. If the index slows then we can expect to see a technical pullback, however if it continues to run paper should hold for a couple of days before advancing again.

Oil

The advance might be slow, but it is significant in the sense price is holding above the USD 73.00 level, suggesting we could continue to trend. We have USD 75.60 as our next target based on weekly resistance levels; downside moves continue to find buying support implying the market could get there in the coming days. There is little on the wire, which for market bulls is a good thing, no news is good news when in a trend. Price is stable with picturesque spacing between the longer-period multiple moving averages, suggesting we should continue to see buying support at lower levels.

Have a nice Evening.

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