

FIS European Close

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| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 22250 | 20750 | -6.7% | Pmx 1 month forward | 25875 | 25675 | -0.8% |
| Cape Q222 | 27750 | 27625 | -0.5% | Pmx Q1222 | 27075 | 27200 | 0.5% |
| Cape Cal 23 | 21250 | 21100 | -0.7% | Pmx Cal 23 | 17325 | 17350 | 0.1% |

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|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 28300 | 28750 | 1.6% | Brent | 91.45 | 93.2 | 1.9% |
| Smx Q2 22 | 27750 | 28750 | 3.6% | WTI | 90.04 | 91.8 | 2.0% |
| Smx Cal 23 | 17300 | 17375 | 0.4% | Iron ore | 154.15 | 149.45 | -3.0% |

Data Source FIS and Bloomberg

Iron Ore

Yesterday we noted that the technical looked vulnerable due to the divergence in the morning report whilst highlighting the importance of the USD 159.00 resistance in the evening technical. However the futures have moves substantially lower after - China's top economic regulator announced for the second time this year it will take effective measures to keep iron ore prices stable, pledging to crack down on market violations such as spreading false information and price gouging. Analysts said the recent rally in iron ore prices involved market speculation. The announcement will help stabilize the industrial chain and maintain market stability. The National Development and Reform Commission and the State Administration for Market Regulation recently talked with iron ore information providers, cautioning them to ensure accuracy of published information instead of spreading false content, the NDRC said in a statement on Wednesday. The NDRC and the administration will study and adopt effective measures to ensure stable iron ore prices. They will also closely monitor price changes, strengthen market regulation, and crack down on violations such as the spread of false information and price gouging in the market. The most traded iron ore contract on the Dalian Commodity Exchange, for delivery in May, ended Wednesday trading 5.9 percent lower at 781 yuan (\$123) per metric ton. Yesterday the March futures traded at a high of USD 157.25, today they traded to a low of USD 144.45 before closing the week at USD 146.25. Technically neutral/bullish, downside moves above the USD 143.85 will be bearish. This technical looks very vulnerable.

Copper

Market analysts remain bullish of copper and continue to warn of higher pricing due to low stockpiles, this created a technical breakout two days ago, resulting in price trading to a high of USD 10,289 yesterday. However, poor CPI figures and more woes in China on potential bond defaults and money supply resulted in a brutal sell of today. The futures are over USD 400 lower into the E.U close with price now trading below the USD 9,906 breakout level. Technically bullish with expectations of higher pricing, is now neutral with the USD 9,720 support looking vulnerable. The weekly chart is showing a bearish rejection candle with price trading USD 100 below next weeks pivot point (USD 9,936). Fortune may favour the brave, but this week copper will have been a widow maker for many!

Capes

The index came in USD 392 lower at USD 15,397 today resulting in the futures seeing further downside price action on the open. Technically the intraday trend remains bullish and remains so above the USD 18,800 level, below this level the technical will have a neutral bias, only below USD 16,250 will the futures be bearish. A key level on Monday will be the weekly pivot point at USD 20,250, a close on the daily below this level will warn the USD 18,800 support could be tested. Technically bullish but in a corrective phase.

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Panamax

The Panamax index is starting to slow with price up USD 625 at USD 20,28,7 leaving the futures to close a little lower today at USD 25,675. The March futures remain in a corrective phase but continue to hold above the Fibonacci support zone, the trend remains bullish above USD 23,369 and neutral below. The carry has now narrowed to USD 5,300; it is still a big number but around 40% lower than it was earlier in the week which puts it at a far more manageable level. We maintain our view that this move is corrective and not bearish with price finding buying support into the rising index.

Supramax

The index continues to produce strong numbers with price USD 1,115 higher today at USD 23,743, resulting in the futures holding above support levels. Price has effectively moved sideways for the last 3 session as the market consolidates near its highs. Further strong moves in the index could but price above the USD 29,500 high, if it does it will signal upside continuation but potentially create a negative divergence with the RSI, meaning although technically bullish there could be a warning flag with it. Downside moves that hold at or above USD 25,114 will support a bull argument, below this level the technical will have a neutral bias. Technically bullish but consolidating.

Oil

Russia pushed back after NATO and the European Union said they'd only provide a collective response to its proposals on a regional security framework. Moscow had been seeking individual replies from each member nation of the EU (Bloomberg). The futures have moved out of its consolidation phase having broken the USD 93,10 fractal resistance, suggesting the USD 94.00 high could be tested. The technical remains bullish supported by geopolitical tensions making it impossible to put a sell argument out there. If Russia invade then price could literally rip to the upside, if tensions calm, we will see profit taking in the market. However, demand is there so the fundamental will remain supported.

Have a nice evening

Ed Hutton