

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21750	25750	18.4%	Pmx 1 month forward	24750	26850	8.5%
Cape Q222	24750	27475	11.0%	Pmx Q1222	25050	26775	6.9%
Cape Cal 23	19750	21150	7.1%	Pmx Cal 23	16625	17125	3.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	27375	28500	4.1%	Brent	101.1	106.48	5.3%
Smx Q2 22	26375	27750	5.2%	WTI	95.82	105.5	10.1%
Smx Cal 23	16850	17050	1.2%	Iron ore	143.2	147.55	3.0%

Data Source FIS and Bloomberg

## Iron Ore

The futures are moving higher on the back of rising steel prices and margins, the upside move is now deep into the last bear wave, meaning the technical has a neutral bias. For more information on the technical please follow the link Iron Ore Offshore Technical report 01/03/22 <https://fisapp.com/wp-content/uploads/2022/03/FIS-Technical-Iron-Ore-01-03-22.pdf>

## Copper

The futures have started to move higher at a time the market is cutting long positions, mainly due to the lack of price movement in the futures. With the Chinese construction season slow to get started demand for the red metal has been muted. However, price has moved higher today after Chile, the world's largest producing country recorded its lowest January output since 2011, in the latest bullish signal for the global metals market (Mining.com). The intraday price has moved USD 131 higher to USD 10,017; upside moves above the USD 10,076.5 will warn that the USD 10,123 resistance could be tested. We are seeing signs to the buy side, however after recent false buy signals we will need to see more to be convinced.

## Capesize

Yesterday we noted that we had a bullish divergence in the futures warning that we had the potential to see the futures move higher today. Price has exceeded our expectations with the index turning to the buy side (+USD 605 at USD 14,019) due to continued disruption in the Black Sea, ships are blocked in, coupled with oil futures trading above USD 106 in the April contract; the realisation that we could be seeing more ton miles for coal exports, whilst Ukraine's iron ore exports will have ground to a halt. The March futures have rallied USD 3,750 to close the day at USD 19,250, suggesting we will see a big index tomorrow. We have seen a similar pattern in the April futures which have closed the day USD 4,000 higher at USD 25,750. The rolling futures are now making new highs suggesting we are starting another bull cycle.

## Panamax

We had noted a bullish divergence on the intraday yesterday with the expectation that price could rally before moving lower. However, on the morning technical we highlighted a near perfect bullish Gartley pattern, which is now very much in play, resulting in the futures moving USD 1,925 higher in the March contract to USD 24,625. However, our focus is now on the April contract, the rolling front month is trading at a USD 2,000 premium to the March with price nearing a new high. It had looked like that to Ukrainian invasion was going to push price lower causing our Elliott wave cycle to fail. If we trade above USD 26,875 then the cycle is back in play (the pullback took the futures into a neutral phase, but we remained above fractal support), if this is the case then we have the potential upside target at USD 29,508. We thought we were going to see cycle failure, but it looks like the technical has stayed true.

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## Supramax

The index remains bullish with price moving USD 165 higher today at 26,876. Like the rest of the freight complex the front month (April) is USD 1,125 higher today. We had highlighted a small divergence in the March contract that warned we could see a temporary move higher, however when we look at the April contract, we see price back in the consolidation zone. This brings a question regarding the Elliott wave as we could still potentially trade above the USD 29,500 level based on the performance in the sector across the board, specifically to the Q2-22 Smx. This technical could get very interesting, we have seen a 5-wave pattern followed by a break if support, meaning the cycle/phase has completed. If that cycle has completed and trades above the USD 29,400, it will suggest there is a larger cycle in play. At this point there is still a chance that the war could result in the April contract failing and Q2 remaining corrective, but we need to be aware of the situation in the Q2, if it trades above USD 29,400 then it targets the USD 34,306 level. Technically this is in balance, the invasion had looked like we would be seeing the rolling front month cycle fail as the market psychology had changed. However, this is now looking like it is all back on the table. We need confirmation first, but it is looking much more positive today.

## Oil

The IEA will release oil stockpiles to stem the price surge following Russia's invasion of Ukraine, Bloomberg reported on Tuesday. The energy watchdog, which is comprised of 30 countries, will release 60 million barrels. But Brent and WTI crude oil zoomed past \$100 per barrel on Tuesday as the intensifying Ukraine war stoked supply fears (Bloomberg). We noted earlier in the week that the futures had a near-term upside target of USD 107.11 and this has now been achieved as price has traded to a high of USD 107.57. For anyone that was in doubt this is an energy crisis that could be about to get a lot worse, we now target the USD 117.62 level, and I genuinely think this price will be achieved unless there is some form of massive intervention.

## Ed Hutton