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



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	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Cape 1 month forward	25375	25250	-0.5%	Pmx 1 month forward	26800	28175	5.1%
Cape Q222	27333.5	27841.5	1.9%	Pmx Q1222	26850	28150	4.8%
Cape Cal 23	20875	21000	0.6%	Pmx Cal 23	17075	17525	5 2.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	29000	30750	6.0%	Brent	114.54	112.42	-1.9%
Smx Q2 22	28250	29550	4.6%	WTI	111.4	110.06	-1.2%
Smx Cal 23	17200	17400	1.2%	Iron ore	150.15	158.6	5.6%

Iron ore Data Source FIS and Bloomberg

The upside move in the April futures traded above the USD 157.25 level today after a broad rally in the commodity sector with key focus on the oil futures which traded to a high of USD 119.84. The intraday technical in the April had previously been bull-ish with the daily technical having a neutral bias. As noted on the morning technical on the 01/03/22 technical, the invasion in the Ukraine has changed the psychological footprint of the market, rising steel prices have pushed margins higher supporting the bull argument. With the daily technical holding the longer period EMA bands (30-60) a series of bullish closes resulted in the futures entering bullish territory. This is where we see the technical conflict (a little) again, as the new high has created a negative divergence with the RSI on the daily chart, this is not a sell signal, but it does warn of the potential for a momentum slowdown, and some form of technical pullback. However, on the intraday technical the near-term RSI has traded to a new high before creating a minor divergence this afternoon, suggesting that a corrective move lower is potentially countertrend. Both technical are warning that we could see a pullback soon with the intraday suggesting there is still another test to the upside to come in this phase.

Copper

After the Blomberg headline yesterday that China was looking to secure commodity supplies due to the invasion into the Ukraine, the copper futures, alongside the rest of the base complex have been moving higher. Global shortages and low stockpiles have already created a squeeze in the market, yesterday announcement just exacerbated the move. Copper had been stuck in a range for 11 days before the announcement with price, although bullish due to the upside move on the 09/02/22, price had been moving sideways. Yesterday we traded to a new high in a move that had looked to test the resilience of market sellers, the overnight pullback was shallow resulting in the futures moving higher on the Asian open. Technically bullish, corrective moves lower that hold at or above USD 10,017 will support a bull argument, below this level the futures will have a neutral bias.

TDC3C

A couple of technical reports today, one in the Q3-22 and one in the Cal 23

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https://fisapp.com/wp-content/uploads/2022/03/Fis-Techncial-Tankers-Cal-23-03-03-22.pdf

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FIS European Close

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Capesize

The technical in the April futures remain bullish but in a corrective phase, the futures moved lower on the open but remained supported during the day even after the index came in USD 1,662 lower at USD 13,596. Downside moves in the futures that hold at or above USD 20,280 will support a bull argument, below this level price will have a neutral bias. The April contract now has a carry of around USD 12,000, suggesting that upside moves could be limited unless we see some bullish numbers in the index tomorrow. The open will be interesting as the futures have closed at USD 25,250 with tomorrows pivot point at USD 25,166, if we open above this level we could see some early support in anticipation of a decent index, however an open below this level will warn that the near-term support levels (highlighted on the morning technical) could be tested.

Panamax

The index continues to produce positive numbers with price USD 590 higher at USD 22,957 and this is keeping the technical supported. The April futures have closed USD 1,375 higher at USD 28,175 with price remaining on a bullish Elliott wave 5, we continue to target the USD 29,208 resistance. Momentum is to the buyside supported by the index, I must be honest I was not expecting the market to be so resilient after the Ukrainian invasion, I had expectations that that the wave cycle (I.E., the technical) would fail. Onwards and upwards, it seems to be.

Supramax

Like the Panamax the futures have entered a bullish wave 5 with price continuing to make new highs. The upside moves in the index are getting stronger with price USD 544 higher at USD 27,722 and this continues to support our technical. The April futures are USD 1,750 higher today having gapped up on the open with price supported through the day before closing at USD 30,750. Based on the Wave cycle using the William's approach we continue to target USD 34,587; will it get there? It is hard to say due to the war, but right now the index is supporting the technical.

Oil

Brent crude could end the year at \$185 a barrel if Russian supply continues to be disrupted, JPMorgan Chase & Co. wrote in a note Thursday. Oil prices have skyrocketed, with Brent crude approaching \$120 earlier Thursday as traders shun Russian oil after Moscow invaded Ukraine. U.S. President Joe Biden is facing calls to ban Russian imports of energy but so far has not imposed full blown sanctions on oil. Currently, 66% of Russian oil is struggling to find buyers, JP Morgan analysts including Natasha Kaneva said in the note. In the short term, the scale of the supply shock is so large that oil prices need to reach and stay at \$120 a barrel for months to incentivize demand destruction, the analysts said, assuming there would be no immediate return of Iranian crude barrel (Bloomberg). Having traded to a high of USD 119.84 this morning there were unsubstantiated rumours in the market that an Iran deal had been agreed, this was enough to push the future down to USD 111.77 into the close, however the futures have recently been rallying on the Asian open with the wave cycle suggesting we target USD 125 and USD 128, with the potential to trade as high as USD 134 in this phase. Could we trade to 185? Potentially, but I hope not as it would suggest that the geopolitical situation and the current war will get a lot worse before it gets better.

Ed Hutton

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