

FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	26250	27750	5.7%	Pmx 1 month forward	29250	31125	6.4%
Cape Q222	28800	30250	5.0%	Pmx Q1222	28875	30400	5.3%
Cape Cal 23	21250	21375	0.6%	Pmx Cal 23	17600	18000	2.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	32125	35000	8.9%	Brent	118.05	122.47	3.7%
Smx Q2 22	30700	32950	7.3%	WTI	115	117.93	2.5%
Smx Cal 23	17525	17975	2.6%	Iron ore	156.4	167.65	7.2%

Iron Ore

Data Source FIS and Bloomberg

Iron ore futures in Singapore held near the highest since August, or around \$165 a ton, as investors weighed a likely drop in China's steel output last month against potential policy support for the economy. Prices have about doubled since mid-November on expectations of economic stimulus, and more recently on the back of investors piling into commodities to hedge against rising global inflation after Russia's invasion of Ukraine. China's top industry group estimates that crude steel production in February dropped from a year earlier, while nine blast furnaces in the key steel hub of Tangshan are undergoing maintenance, according to Mysteel, citing a survey. The maintenance will last for five to six days against a backdrop of worsening pollution, the National People's Congress, and the Winter Paralympics, Mysteel said. Beijing usually tries to ensure blue skies for major events watched globally and the steel industry, a major source of pollution, is often targeted. Iron ore has also staged a rebound on expectations of more policy support from China, which would boost consumption of raw materials. The government has also tried to damp excessive speculation, with the Dalian Commodity Exchange doubling transaction fees for some iron ore trading from Tuesday (Bloomberg) The futures held above the USD 156.05 support yesterday resulting in price trading to a high of USD 171.00, confirming price has entered a bullish wave 5. An intraday pullback below USD 163.18 means the April technical has a neutral bias. The new high means we have achieved the minimum requirement for cycle/phase completion; however, using the William's approach we have a potential upside target as high as USD 186.19. Technically bullish with a neutral bias we now have a negative divergence with the RSI. This is not a sell signal, but it does warn of the potential for a momentum slowdown.

Copper

The futures rallied hard on the Asian open following the base complex higher after Nickel traded above USD 100,000. After trade was suspended in Nickel the futures sold lower resulting in the futures producing a deep pullback, the technical is now neutral/bullish, below USD 9,794 it is bearish. If you look at the 4-hour intraday chart you will see a large bearish rejection candle replicated by the same candle but to the buyside. This technical is neutral with longer period averages now flat, on paper we are in a corrective wave 4 which should be followed by a bullish wave 5. The insane intraday volatility (USD 754.50 range) would suggest this technical could go either way.

FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Capesize

The index is USD 1,213 higher today at USD 15,721, resulting in the April contract moving USD 1,000 higher to close the day at USD 28,750. The carry remains over USD 13,000 which is a concern, however on the intraday technical the longer period averages (30-60) remain well spaced, this would suggest the longer-term trend is stable. The issue is the near-term trend which is nearly USD 6,000 above the 55-period EMA, this is known as a mean reversion gap and warns that we have the potential to see a technical pullback. It was summed up in the evening close report last night, it really is going to be a case of who blinks first. Technically bullish we are cautious due to the mean reversion gap and a negative divergence with the RSI.

Panamax

A significant milestone in the index today with price USD 1,254 higher at USD 26,031, we have now broken the fractal resistance at USD 25,781, the index is now bullish for the first time since 18/01/22. The futures celebrated this milestone with a lacklustre performance with the April contract closing the day USD 250 higher at USD 31,375. The intraday Elliott wave count would suggest the futures are on a bullish wave 3 suggesting downside moves should be considered as countertrend, based on the length of the initial move we would expect the futures to trade above USD 33,200 within this phase of the cycle. Downside moves that hold at or above USD 25,852 will support a bull argument, below this level the technical will have a neutral bias. Tomorrows pivot point will be at USD 3,1375 with todays close at USD 31,375. If we open below this level, we could see the futures coming under selling pressure; however, if we remain above it then expect further tests to the upside in the near-term.

Supramax

Another strong move in the index with price USD 1,025 higher at USD 30,062, this is keeping the April contract well supported. The futures were USD 750 higher today at USD 35,750 with price remaining in a bullish trending environment. We had initially thought that we were on a bullish wave 5, however we now believe that we are on an extended wave 3, indicating downside moves should be against the trend, we do note however that we have a mean reversion gap forming with the 55-period EMA, suggesting we could enter a corrective wave soon. Technically bullish.

Oil

Oil rallied higher after President Joe Biden announced the U.S. would ban imports of Russian energy, while the U.K. said it would phase out Russian products by the end of this year. Brent crude futures surpassed \$132 a barrel while West Texas Intermediate touched above \$129. The U.S. announced a ban of Russian fossil fuels on Tuesday. The move was matched by the U.K., which will phase out all imports of Russian oil. The country will continue to allow natural gas imports from Russia. So far, they are the only two countries to impose an outright ban. The U.S. is a smaller buyer than Europe and the bigger risk to prices rallying lies in future coordinated action between the U.S. and Europe (Bloomberg). The initial reaction from the futures was to trade above the USD 132.29 resistance, however price failed to hold and promptly entered a corrective phase. The trend remains bullish but has a neutral bias due to the deep pullback, the question now is will Russia take the step that Europe will not, and turn off the tap? If they do then price will push significantly higher in a very short period, for now we remain bullish and regard downside moves as being countertrend.