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



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|----------------------|----------|---------|----------|---------------------|----------|---------|----------|
|                      | Close    | Close   | % Change |                     | Close    | Close   | % Change |
| Cape 1 month forward | 28750    | 30750   | 7.0%     | Pmx 1 month forward | 31375    | 33125   | 5.6%     |
| Cape Q222            | 31791.5  | 33500   | 5.4%     | Pmx Q1222           | 31075    | 32150   | 3.5%     |
| Cape Cal 23          | 21650    | 21875   | 1.0%     | Pmx Cal 23          | 17875    | 17950   | 0.4%     |

|                     | Previous | Current |          |          | Previous | Current |          |
|---------------------|----------|---------|----------|----------|----------|---------|----------|
|                     | Close    | Close   | % Change |          | Close    | Close   | % Change |
| Smx 1 month forward | 35750    | 37250   | 4.2%     | Brent    | 129.47   | 120.14  | -7.2%    |
| Smx Q2 22           | 33437.5  | 35350   | 5.7%     | WTI      | 124.77   | 117.05  | -6.2%    |
| Smx Cal 23          | 17900    | 17875   | -0.1%    | Iron ore | 166.35   | 161.15  | -3.1%    |

**Data Source FIS and Bloomberg** 

Iron Ore

Steelmakers across Europe are cutting back their operations as power prices surge to record levels in response to Russia's invasion of Ukraine. Producers of the metal from Spain to Germany are beginning to slow down or entirely stop their output as the higher costs make production unsustainable, even with steel trading near record levels. Russia's invasion of Ukraine has exacerbated already eyewatering power prices, affecting companies including Acerinox SA, Salzgitter AG and Liberty Steel (Bloomberg). We noted this morning that the futures were showing an exhaustion patter in the form of 3 small waves. Price has since moved below the USD 159.15 fractal support to create a lower low in the market, indicating the current bullish Elliott cycle that started on the 18/02/22 has now completed. The intraday April futures will now target the USD 156.05 and USD 149.70 support levels.

# Copper

Jeff Currie, global head of commodities research at Goldman Sachs, says there is "substantial" upside risk to copper prices amid a "massive deficit" in supply (Bloomberg). Normally after comments like this from Goldman we would expect to see bullish price action in the market. However, having moved lower yesterday the futures have continued to move to the downside today with price trading below yesterdays low. The pullback is deep into the last bull wave but the intraday technical remains bullish with a neutral bias, below USD 9,794 it will be bearish.

## Capesize

This morning we saw the largest discount between the index and the rolling front month futures since we moved to a 5 TC index. The futures in the April contract had moved higher on the open after reports that C5 was fixing above USD 12.00 whilst C3 was rumoured to be above USD 31.00. The index did not disappoint with price USD 3,207 higher at USD 18,928, suggesting buyside momentum in the physical was now on the move. The futures were already above USD 30,000 before the index came out and have closed the day on their high at USD 30,750, indicating we remain well supported into the close. The carry however is still around USD 12,000 meaning we will have to see further good numbers tomorrow to keep the futures supported. From a technical perspective we remain bullish and in trend, however the negative divergence remains a concern and will need to be monitored in the coming days.

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# FIS European Close

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#### **Panamax**

Having seen the index enter bullish territory there were concerns regarding the close on the April futures as it was on today's pivot point. Price needed to open above it to avoid coming under selling pressure. The futures opened the day with good buying support above the USD 31,375 pivot, resulting in price moving USD 1,750 higher to close at USD 33,125. For more information on the technical please follow the link. Panamax Technical Report 09/03/22 https://fisapp.com/wp-content/uploads/2022/03/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-09-03-22.pdf

## Supramax

As noted yesterday with the upside move going from strength to strength, we realised that the Elliott wave was on a bullish impulse wave 3, not 5. Another good index today (USD 1,233 to USD 31,295) has continued to support the April futures which have closed the day USD 1,500 higher at USD 3,7250. For more information on the technical please follow the link Supramax Technical Report 09/03/22 https://fisapp.com/wp-content/uploads/2022/03/FIS-4-Page-TECHNICAL-REPORT-SUPRAMAX-09-03-22.pdf

### Oil

Crude futures tumbled after consecutive days of sharp rises, with the market pausing the rally to digest the consequences of bans against Russian crude imports by the U.S. and U.K. Futures in New York fell as much as 7% on Wednesday. Oil posted huge intraday swings, trading within a range of over \$9, as Russia's invasion of Ukraine threatens a major global supply shock. Russia is a major supplier of refined products to Europe and the threat of fuel supplies drying up in the region has sent diesel markets into a frenzy. U.S. distillates inventories fell to the lowest level since November 2014, dropping 5.23 million barrels, according to government data. Oil's vertiginous climb is contributing to a surge in inflation to the highest level in decades. American gasoline prices rallied to a record Monday while diesel climbed to its highest price since 2008. Soaring pump prices amid Russia's invasion of Ukraine continue to thwart President Joe Biden's efforts to tame inflation and alleviate pain for American consumers. "The oil market will remain persistently volatile and crude prices will remain supported until a major deescalation in the war in Ukraine occurs," said Ed Moya, senior market analyst at Oanda (Blomberg). The trend remains technically bullish but with a neutral bias due to the depth of the pullback, suggesting we are possibly seeing some profit taking as the Brent futures are USD 8.00 lower at around the USD 120.00 level. As previously noted, we believe this is a corrective wave 4 which is beginning to look like it could be a complex one. If our analysis is correct, then this is a countertrend move with an expectancy of higher prices to come. The issue of course is the volatility, as the range on Brent is nearer USD 12.00 today suggesting risk is going to be very hard to manage at this point. This downside move today is following a rejection candle two days ago, warning price could come under further pressure. This market Is bullish, but it is also very unstable due to the invasion in the Ukraine.

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