

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	30250	30750	1.7%	Pmx 1 month forward	33250	29800	-10.4%
Cape Q222	33500	33075	-1.3%	Pmx Q1222	32291.67	30050	-6.9%
Cape Cal 23	21875	21650	-1.0%	Pmx Cal 23	17950	17525	-2.4%

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Smx 1 month forward	37250	35250	-5.4%	Brent	111.14	110.4	-0.7%
Smx Q2 22	35350	33500	-5.2%	WTI	108.7	107.24	-1.3%
Smx Cal 23	17875	17575	-1.7%	Iron ore	163.34	162.58	-0.5%

Iron Ore

Source FIS/Bloomberg

Having dropped USD 9.10 after highlighting the exhaustion pattern on the intraday technical the futures have created a lower low in the market. The upside move in the evening session has taken the technical into neutral territory. For more information on the technical please follow the link. Iron Ore April 22 (rolling Front Month) 10/03/22 <https://fisapp.com/wp-content/uploads/2022/03/FIS-Technical-Iron-Ore-10-03-22.pdf>

Copper

We highlighted on the morning report (See Zinc morning base report) the concerns over the current psychological footprint in the market, as the upside wave 3 on the intraday was driven by market short covering (this is usually wave 1), warning the Elliott wave cycle could potentially fail. As noted yesterday the cycle is currently neutral/bullish based on the deep pullback, only below USD 9,794 is the technical bearish. Price has moved USD 90 higher to USD 10,486 but is below the Fibonacci resistance zone. Upside moves that fail at or below USD 10,486 remain vulnerable to further tests to the downside. Neutral/bullish, price is currently failing to trade above the 4-hour 55-period EMA.

Capesize

The index is USD 2,740 higher today at USD 21,668 mean we have broken fractal resistance; we are now in bullish territory; however, the upside move today is less than yesterday indicating a small slowdown in momentum based on price. This reflected on the April futures which opened lower before pushing to new highs (By USD 500), however there has been no significant follow through, as the new high at USD 31,000 has created another minor negative divergence with the RSI. This is not a sell signal, but it is warning of the potential for a momentum slowdown. Price is around USD 5,750 above the 55 period EMA meaning we have a mean reversion gap forming, again not a sell signal, it does imply the market is potentially a little overextended. On the bull side the momentum slowdown on the futures is allowing the carry with the index to narrow, this is now at USD 9,082, still wide, but for the capes a manageable level. If the index produces good numbers tomorrow, then we could see a strong close to the week. However, any weaker fixing in the physical overnight and we could see some profit taking. Technically bullish, the divergence remains a concern as it is leaving this technical vulnerable to a pullback.

Panamax

The index is still going up but the slowdown today was significant, price was USD 353 higher at USD 27,761, a close below USD 25,397 will mean that momentum is weakening based on price. The front month futures (April) reacted badly as the carry had been over USD 6,000, the futures, already weaker on the back of the drop in fuel last night closed the day USD 3,450 lower at USD 29,800. We have this as a countertrend corrective wave 4 suggesting it should hold at support levels (USD 29,084, USD 27,875, and USD 26,235). Corrective moves lower that hold at or above the USD 26,235 level will support a bull argument, below this level the technical will have a neutral bias. Based on the close we have the potential to trade lower on the open tomorrow, however the RSI on the intraday is above 50 with the stochastic in oversold territory. If the RSI can hold above 50 (currently 53) then momentum is vulnerable to a test to the upside. Technically bullish but in a corrective wave.

Supramax

The index is another USD 863 higher today at USD 32,158 but the April futures have followed the Panamax lower. Price is down USD 2,000 at USD 35,250 in what looks to be a countertrend move, key support is at USD 30,987, downside moves that hold at or above this level will support a bull argument, below this level the technical will have a neutral bias. The stochastic at 40 is nearing oversold levels whilst the RSI is still at 64, suggesting if we move much lower momentum will be vulnerable to a test to the upside. Technically bullish but in a corrective phase.

Oil

After the volatile moves of the last few days, we continue to see the futures coming under pressure in what looks to be a corrective wave 4. The pullback yesterday is deep meaning the technical has a neutral bias with market buyers fading or unwinding after the USD 13.00 drop in 10 minutes yesterday. The volatility is keeping people out of the market, the technical suggests there are further upside moves to come, but market buyers are likely to react to the news rather than try and force this trend. Momentum indicators would suggest we could see price either consolidate or move lower in the coming days. An interesting level to watch will be around the USD 100.61 level as the futures traded below but held above the 106.78 level yesterday, if this is tested and holds there could be a bullish Gartley pattern in play.

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