

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	20825	22125	6.2%	Pmx 1 month forward	27550	27875	1.2%
Cape Q222	27125	28716.5	5.9%	Pmx Q1222	28075	28625	2.0%
Cape Cal 23	20575	21550	4.7%	Pmx Cal 23	16625	16650	0.2%

  

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Smx 1 month forward	31975	32000	0.1%	Brent	109.35	109.8	0.4%
Smx Q2 22	31925	32150	0.7%	WTI	103.49	103.75	0.3%
Smx Cal 23	16525	16350	-1.1%	Iron ore	153.85	154.45	0.4%

Iron Ore

Source FIS/Bloomberg

Iron ore futures retreated in China as the nation’s efforts to contain a wave of Covid-19 outbreaks dampened demand for the steel-making ingredient. Virus restrictions in China mean that transportation of raw materials has been curtailed across the country in the past week. Some 19 blast furnaces have also been idled, according to industry researcher Mysteel, capping steel consumption in the near term. “More mills in Tangshan and Shanxi are undergoing maintenance or idling their blast furnaces as the pandemic curtailed transportation,” Galaxy Futures said in a note, cautioning that uncertainties remain in the market. However, investors watching virus-control measures in the world’s biggest steel market see demand recovering once the outbreak eases (Bloomberg). The April futures did trade higher in the Asian session to USD 156.80 but failed to hold with price ending up flat on the day around the USD 154.25 level. The futures are now consolidating as it looks to if the demand will be there, if it is we could see front end spreads getting sold, but at this point we look to be in more of a holding pattern. Neutral.

Copper

No real reaction in the copper futures today on the back of a potential de-escalation from Russia. The futures did trade to a high of USD 10,387.50 before sell back down to the daily pivot point (USD 10,298). Price needed to close above USD 10,369 for any chance of upside continuation, until it does produce a bullish close the futures remain vulnerable to a test to the downside. If we do trade below USD 10,166 (yesterdays low) then it will warn that there is further downside in this technical, suggesting the USD 9,820 low could be tested. Bullish but needs more to convince.

Capesize

The index is USD 784 lower today at USD 13,596 with price nearing the key support at USD 13,414, if we trade below this level then the technical is bearish. It is not all doom and gloom today as the futures have found some buying support at last on the back of more productive talk from Russia-Ukraine. Price jumped around USD 1,250 on the back of the news, meaning intraday price and momentum are now aligned to the buy-side. We have closed the day at USD 22,000, if we open tomorrow above USD 21,333 then we could see further buying support in the market; likewise, a close above USD 22,000 would be considered a bullish close, suggesting we have the potential to test upside resistance levels. Green shoots but we need to see more tomorrow, seasonality would imply there is an upside move coming suggesting market shorts will need to cover soon.

## Panamax

The index has been threatening a correction for the last few days resulting in price moving USD 793 lower to USD 28,693 today. The April contract is already trading at a discount of around USD 1,000 to the index; however, the market has been supported today, potentially by the Capes but equally price is testing the longer period EMA's (30-60) which have acted as a support on 4 occasions since the end of Jan. Flat pricing today on a tight range (USD 550) would suggest that market sellers could be about to step back, seasonality would imply that the index and the futures move lower into the early part of April. However, if the averages hold and we follow last year's footprint, then the longer-term trend still leans to the buy-side. Corrective but holding EMA support.

## Supramax

The index continues to weaken with price USD 496 lower today at USD 32,401; however, like the Panamax the futures have tested the moving average support with price rejecting the downside move before closing near there high. This is the same pattern that we witnessed on the 15/03/22 before moving higher, if we close higher tomorrow then we could see upside resistance levels tested. Seasonality is not supporting an upside move at this point, but it does suggest that a turn is coming soon, implying we could be about to form a base in the market. If we trade below USD 31,125 then we could test the lower EMA (60-period) at USD 26,694. The futures are corrective but not a technical sell at these levels.

## Oil

Treasury yields slid Tuesday as optimism over movement on cease-fire talks between Russia and Ukraine drove down oil prices and bond-market gauges of inflation expectations (Bloomberg). The downside move in the futures has resulted in price trading below the USD 106.04 support after global commodity markets started to unwind, the technical is now neutral. The futures are USD 4.00 of their lows after the market found buying support on the longer period EMA's (30-60). The market is now in a bit of a quandary, on one hand, if a ceasefire is agreed the technical is likely to literally go out the window. However, on the other hand, the E.U and other associated countries will likely continue to unwind their dependence on Russian energy, suggesting the market over the long-term should in theory stay supported. That's my theory on it anyway.

## Ed

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