

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24500	25687.5	4.8%	Pmx 1 month forward	26250	27300	4.0%
Cape Q322	35125	35875	2.1%	Pmx Q322	26600	27500	3.4%
Cape Cal 23	22000	22200	0.9%	Pmx Cal 23	15925	16275	2.2%

Iron ore Source FIS/Bloomberg

Iron ore prices in Singapore fell a fourth day as demand weakens in China due to a resurgent virus. China’s daily Covid-count rose again on Thursday to over 24,000 cases, hampering construction and steel-making activity and sinking futures in Singapore to their lowest level since March 24. Steel output fell 11% last month from a year ago, according to the latest estimate from the China Iron & Steel Association. But despite the large concentration of infections in Shanghai, containment measures may be limiting the virus’ spread, according to Bloomberg Economics, which cited fewer at-risk provinces than a week earlier. Iron ore stockpiles at Chinese ports have fallen for a second week, according to Mysteel Global, holding out hopes that demand will recover through the spring, particularly as the government looks to infrastructure spending to stimulate a faltering economy (Bloomberg). Price is correct but nearing a stable 55 – period average. For more information on the technical please follow the link. Iron Ore May 22 (rolling Front Month) 08/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-Technical-Iron-Ore-08-04-22.pdf>

Copper

Copper is “sleepwalking” toward a depletion of stockpiles, with forward fundamentals tightening even as price action has remained muted, according to Goldman Sachs Group Inc., which raised its forecasts. A supply shock is under way, and “investors’ comfort with this supply narrative is misconceived,” analysts including Nicholas Snowden and Aditi Rai write in note dated April 7. Bank sees the refined copper deficit at 374k tons in 2022, double its previous estimate, and enough to deplete visible stockpiles by 4Q. Deficit projections for 2023 lifted to 161k tons from 28k tons previously, and forecasts for 2024 boosted to 366k tons from 187k tons. “Despite these tightening tailwinds, copper prices have only risen modestly this year and positioning has remained flat, offering a clear entry point for investors to get long” (Bloomberg). The upside move is failing to hold with price continuing to consolidate around the bullish support band, there is one comment that GS were spot on with. This market is sleep walking.

Capesize

We have had a turn around in the index today with price USD 226 higher at USD 11,979, this has resulted in a sentiment push in the futures in the May contract with price moving USD 1,187 higher to USD 25,687. Intraday price and momentum are aligned to the buy side with the futures breaking the trend resistance. However, need I say it, the carry is now at USD 13,700 - we need the index to do what it does best and jump like 30% in a day, otherwise the futures will come under pressure.

Panamax

As highlighted a couple of days back, the futures had started trading at a premium to the index warning the futures could move higher and the index could be about to slowdown. Price is up over USD 2,000 in the last two session with the index down USD 6 today at USD 23,661, we now need to see the May contract trade above USD 27,555 (currently 27,300), until it does, we remain vulnerable to a technical pullback. A close on the index above USD 24,896 will indicate that momentum is improving based on price, further supporting a bull argument in the paper.

Supramax

The Index continues to move lower, but we are seeing some positive signs on the paper. For more information on the technical please follow the link. Supramax Technical Report 08/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-4-PAGE-TECHNICAL-REPORT-SUPRAMAX-08-04-22.pdf>

Oil

Oil is on track for its second weekly fall with the technical now neutral, if we close below the USD 98.14 – USD 96.93 support zone we could test USD 90.12; however, a close above the 55-period EMA with the RSI above 50 could create a bull run. For more information on the technical please follow the link. FIS Technical – Brent June 22 08/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-Technical-Oil-Report-08-04-22.pdf>

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