



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	25687.5	23000	-10.5%	Pmx 1 month forward	27300	27125	-0.6%
Cape Q322	35875	33625	-6.3%	Pmx Q322	27500	27000	-1.8%
Cape Cal 23	22200	21250	-4.3%	Pmx Cal 23	16275	16000	-1.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	30750	30400	-1.1%	Brent	102.4	98.06	-4.2%
Smx Q3 22	27225	27450	0.8%	WTI	97.9	93.99	-4.0%
Smx Cal 23	15750	15800	0.3%	Iron ore	154.4	151.4	-1.9%

Iron ore

Source FIS/Bloomberg

The May futures traded to a low of USD 148.00 leaving price in a corrective phase on weakening sentiment in China due to rising covid infections. The futures are now trading in the daily EMA support band with the RSI below 50 and the stochastic oversold, if the RSI holds above the 50 level, then the futures will be vulnerable to an upside move. If the RSI moves below 50 and the futures close below the 60- period EMA (USD 146.90) then we have the potential to see a further weakening in the futures, that will target the USD 136.95 fractal support. Corrective but not considered a technical sell as we are in the support bands.

Copper

Copper and aluminum fell along with most base metals in London as global inflation concerns and Covid-19 flareups in China weighed on the outlook for demand. China's factory gate prices rose more than expected in March as oil prices climbed, putting pressure on manufacturers that are already struggling to operate amid repeated Covid outbreaks. Virus infections in Shanghai, the financial center that accounts for 3.8% of the country's gross domestic product, hit new records amid an extended lockdown of the city's 25 million people (Bloomberg). A rejection candle on Friday has been followed with more downside pressure today with price USD 119 lower at USD 10,205. The futures are now in the daily support band with the RSI neutral at 50, downside moves below the USD 10,166 fractal support would signal that the futures are breaking consolidation to the downside, warning the USD 9,820 support will be vulnerable; however, as the futures are in the support band, price is not considered a technical sell at this point.

Capesize

The index is USD 413 lower today at USD 11,566 and this has put the futures under pressure once again. The May contract is USD 2,687 lower today at USD 23,000, the corrective move is driven purely by the carry between the futures and the index which is just under USD 11,500. Although moving lower the futures are proving to be very resilient, on the expectancy that we should, based on the seasonality chart, see a rising index soon. However, the reality is, market speculators cannot come at this from the buy side until the carry narrows to around 4-5k, until it does price will be vulnerable.

Panamax

The futures opened higher but immediately found selling pressure on the back of the Capesize weakness, resulting in price trading to a low of USD 26,250. The downside move was short lived due to the index coming in USD 66 higher at USD 23,727, a close above USD 24,328 will indicate that index momentum based on price is turning to the buy side. The May futures have closed the day USD 175 lower at USD 27,125, indicating the futures are holding in the daily EMA support band. We continue to see bullish signals in the futures, but we now need to see the index close above USD 24,328, otherwise this upside move could struggle to hold. Price is not considered a sell into the support band.

Supramax

The index is down only USD 311 today at USD 27,207, suggesting sell side momentum is starting to slow, a close above USD 28,454 will indicate that momentum based on price is aligned to the buy side. The May futures followed a similar pattern to the of the Panamax, price moved lower on the open before finding support in the afternoon session, we did get a negative close at USD 30,400, which is down USD 350 on the day but the futures have rejected a move to the downside with price in the daily EMA support band. The technical is not yet bullish, but it is not a technical sell at these levels.

Oil

OPEC's top diplomat told European Union officials that the current crisis in global oil markets caused by Russia's invasion of Ukraine is beyond the group's control. Russian oil supply losses stemming from current and future sanctions or a boycott by customers could potentially exceed 7 million barrels a day, OPEC Secretary General Mohammad Barkindo said on Monday. That would be far beyond the group's capacity to replace, he told EU Energy Commissioner Kadri Simson, who had asserted the cartel's responsibility to balance the market. Simson said that the oil-producers group could tap its existing spare output capacity to assist in the crisis, according to an OPEC document seen by Bloomberg. Barkindo said that markets are being swayed by political factors rather than supply and demand, leaving little for the organization to do (Bloomberg). We are seeing a mixed technical here, price is moving lower with the futures below the EMA support band with the RSI below 50; however, the downside move is not significant enough to be considered a technical sell as the 4-hour RSI is in divergence with price, warning we could see a momentum slowdown and potential test to the upside. For this reason, we maintain a neutral bias on the futures.

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