



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	#N/A N/A	22000	#VALUE!	Pmx 1 month forward	#N/A N/A	28500	#VALUE!
Cape Q322	#N/A N/A	35250	#VALUE!	Pmx Q322	#N/A N/A	28300	#VALUE!
Cape Cal 23	#N/A N/A	22000	#VALUE!	Pmx Cal 23	#N/A N/A	16425	#VALUE!

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	#N/A N/A	32950	#VALUE!	Brent	113.16	107.23	-5.2%
Smx Q3 22	#N/A N/A	30500	#VALUE!	WTI	108.21	102.5	-5.3%
Smx Cal 23	#N/A N/A	16500	#VALUE!	Iron ore	155.18	153.49	-1.1%

Iron ore

Source FIS/Bloomberg

Iron ore futures in China fell after a three-day climb as investors assessed another lockdown in the country's steelmaking hub, the threat of a worsening Covid outbreak and a pledge to curtail crude steel output. A second lockdown in five districts of Tangshan, just over a week after the lifting of city-wide curbs, damped expectations of a speedy recovery in mills' operations. In an additional blow for the steelmaking raw material's demand prospects, the government vowed to meet its goal of cutting steel output this year (Bloomberg). The May futures came under pressure in the Asian session with prices trading to a low of USD 149.10, downside moves below USD 148.00 will target the USD 144.90 and USD 138.05 fractal supports. The trend is technically neutral with price back in the daily EMA support band; however, these are starting to flatten suggesting the trend is now less stable. Technically neutral the flattening support band is warning market bears might test support levels.

Copper

Copper fluctuated in a mixed session as disruptions at mines in Peru added to worries about tight supplies at a time when inventories are at alarmingly low levels. Two mines representing about a fifth of Peruvian copper exports are out of action. The incidents have heightened supply concerns, with London Metal Exchange inventories near the lowest in more than 16 years (Bloomberg). The trend is technically bullish with price above the EMA support band; however, once again we have seen an upside move in copper fail to hold; more importantly, the upside move is failing to hold on bullish news, suggesting this technical could be in trouble. At this point the technical is bullish with a neutral bias but this is now the fourth upside rejection in the last 17 sessions, suggesting there is either distribution going on or market sellers are readying for a downside move. The IMF downgrading its global forecast is obviously the downside driver; however, in a market with supply issues this weakness is a concern.

Capesize

The index remains weak, and this is weighing on the futures. For more information on the technical please follow the link. Capesize Technical Report 19/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-19-04-22.pdf>

Panamax

The index is USD 337 higher today at USD 26,379; however, this is a significant slowdown to the upside moves last week, a close below USD 24,942 will signal that momentum is weakening based on price. The May futures opened the week with price trading up to USD 29,375 before coming under pressure after the index to close the day at USD 28,500, down USD 25.00 on the day. From a technical perspective we broke fractal resistance on the open meaning the daily chart is bullish, the downside move today means tomorrow's pivot point is at USD 28,791, if we open below this level then there is a strong chance that intraday price and momentum will be aligned to the sell side. If this is the case, then we could see further tests to the downside in tomorrow's session.

Supramax

We noted last week that downside momentum in the index was starting to slow, the upside move today means that momentum is improving based on price. The index is USD 486 higher at USD 27,955 which has resulted in the May futures closing the day USD 575 higher at USD 32,950. The futures have already priced in this move, the weakening Panamax has meant that although higher on the day the futures have found technical sellers around the USD 33,250 level, as the carry with the index is around USD 5,000. Price is bullish but will now need to see increased buy-side momentum in the index otherwise we will be vulnerable to a technical pullback. Tomorrow's pivot point will be at USD 32,941 meaning the technical could be in balance on the open, if we are lower on the open, then we could see the futures come under pressure early on.

Oil

Oil extended losses after the International Monetary Fund downgraded its global growth forecast, intensifying market concerns of an economic slowdown in the wake of hawkish comments from U.S. Federal Reserve officials. West Texas Intermediate fell more than \$5 on Tuesday to trade below \$103 a barrel, the sharpest drop in more than a week. The IMF slashed its world growth forecast by the most since the early months of the Covid-19 pandemic and projected even faster inflation. The market opened on a downbeat after Fed Reserve Bank President James Bullard said late Monday the central bank needs to move quickly to raise interest rates to quell inflation (Bloomberg). The futures had signalled that they could base last week meaning we had a neutral bias rather than a bearish one and this was followed by a USD 17.00 upside move. However, the IMF downgrade is a concern regardless of the Russian supply issues. The market is moving lower on bad news as one would expect, the strong rejection candle today would imply that any recent market longs are exiting, if we close around these levels today (currently 107.25) then expect weaker pricing tomorrow.

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