

FIS European Close

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| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 21300 | 25750 | 20.9% | Pmx 1 month forward | 26925 | 27750 | 3.1% |
| Cape Q322 | 34875 | 36750 | 5.4% | Pmx Q322 | 27350 | 27825 | 1.7% |
| Cape Cal 23 | 21925 | 22750 | 3.8% | Pmx Cal 23 | 16525 | 16675 | 0.9% |

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|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 31650 | 32350 | 2.2% | Brent | 107.23 | 107.92 | 0.6% |
| Smx Q3 22 | 29425 | 30000 | 2.0% | WTI | 102.56 | 103.39 | 0.8% |
| Smx Cal 23 | 16750 | 17250 | 3.0% | Iron ore | 150.9 | 152.35 | 1.0% |

Iron ore

Source FIS/Bloomberg

As noted on yesterday report the RSI was at 51 with the stochastic oversold with the futures holding on support levels resulting in the futures trading up to USD 154.00. A close above USD 156.45 will warn that the USD 158.40 resistance level could be tested. Price remains in the EMA support band at this point whilst the technical has a neutral bias, if we trade above USD 158.40 the technical is bullish.

Copper

BHP Group (BHP) said Thursday it produced 369,700 tons of copper and 18,700 tons of nickel in Q1, representing year-over-year decreases of 6% and 8%, respectively. In the quarter ended March 31, the company also produced 59.7 million tons of iron ore and 10.6 million tons of metallurgical coal, which represent increases of 1% and 10%, respectively. For full-year 2022, BHP now expects output of 1.6 million tons of copper, compared with prior guidance of 1.6 million to 1.8 million tons. Nickel production is now estimated to be 80,000 to 85,000 tons, compared with 85,000 to 95,000 tons previously. It didn't change its other targets of 249 million to 259 million tons of iron ore and 38 million to 41 million tons of metallurgical coal (Bloomberg). From a technical perspective little has changed since yesterday, the trend remains technically bullish with price in the EMA support band meaning it is not considered to be a technical sell. Likewise, until we see a close above USD 10,500 price is not considered a technical buy either.

Capesize

A big day in the futures today with the May contract closing USD 4,450 higher at USD 25,750, driven by the index which came in USD 2,266 higher at USD 13,571. Sentiment and seasonality are bullish with the futures trading above USD 24,750 fractal resistance, the carry in the futures is back above USD 12,000. Expectations of an even stronger index tomorrow have left the futures bid into the close with price closing above the previous 8 sessions, warning that the futures could push again in the morning. The disparity remains a concern as this is increasing, the index needs some very convincing numbers in the coming days otherwise price will be vulnerable to a technical pullback. The index is moving and has the capability to close the carry, this issue will be if the futures continue to outperform the index.

Panamax

The index has now started to weaken with price USD 361 lower at USD 26,083. A technical today. Panamax Technical Report 21/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-21-04-22.pdf>

Supramax

The close yesterday had warned we had the potential to see weaker pricing today. However, price has held above the USD 31,340 Fibonacci support with the futures moving higher on the open, at this point price remains below the trend line that was broken yesterday. The futures are still in a corrective phase and will now need to trade above the USD 33,250 resistance to signal upside continuation. The Index continues to perform with price USD 554 higher at USD 29,105 meaning the carry is just over USD 3,100, a manageable level. Corrective moves lower that hold at or above USD 29,950 will support a bull argument, below this level the futures will have a neutral bias. The intraday RSI is now at 55 with the stochastic now showing a bullish cross above the 30 level, suggesting that buy-side momentum is improving. Technically bullish with momentum improving, if the RSI moves above its moving average tomorrow then resistance level should be tested, if it does not then the 31,500-fractal support could come under pressure.

Oil

Oil gained in a volatile session as a series of challenges to supply eclipsed concern about the lingering threat to energy demand from lockdowns in China. West Texas Intermediate traded above \$102 in a week that has seen futures swing sharply in a range of about \$10. As the Ukraine war grinds on, the Biden administration unveiled a fresh arms package for the embattled nation and European Union members are moving to cut dependence on Russian oil, with German Foreign Minister Annalena Baerbock saying the country plans to stop imports by year-end (Bloomberg). The upside move above USD 109.00 has put the intraday technical in bullish territory, however price has failed to hold with the futures trading at USD 107.30 into the E.U close. Price is holding in the daily support band with the RSI at 51, we are also seeing a small build in the aggregate open interest that suggests that the market is preparing for a move to the upside. However, we now need to see a close above yesterday's high for the close to be considered a bullish, until we do the futures remain vulnerable.

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