

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	26375	24500	-7.1%	Pmx 1 month forward	27925	25625	-8.2%
Cape Q322	36750	34750	-5.4%	Pmx Q322	28250	26750	-5.3%
Cape Cal 23	23000	22475	-2.3%	Pmx Cal 23	17025	16750	-1.6%

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Smx 1 month forward	32675	30750	-5.9%	Brent	106.2	100.81	-5.1%
Smx Q3 22	30750	28750	-6.5%	WTI	101.75	96.74	-4.9%
Smx Cal 23	17375	16750	-3.6%	Iron ore	149.9	136	-9.3%

## Iron Ore

Source FIS/Bloomberg

Iron ore slumped along with base metals as the demand outlook deteriorated over fears that the Covid-19 lockdown that paralyzed Shanghai during the last month may spread to Beijing. The price of iron ore, a steel-making ingredient and barometer for China's economic outlook, tumbled as much as 12% in Singapore. Base metals also dropped on mounting nervousness over demand in Asia's top economy, with zinc leading declines in London Metal Exchange trading. The spread of the virus in China and Beijing's harsh approach to controlling it have roiled metals, just weeks after they rose to a record on tightening supplies and concerns about disruption to Russian exports. China is the world's top metals consumer, making its economic performance crucial to the demand outlook (Bloomberg). As noted on Friday's close report the downside move after the E.U close had broken the USD 148.00 fractal support with price testing the USD 144.90 level, warning that we could be seeing market longs unwind. The futures came under significant pressure today with price trading to a low of USD 133.25 with the RSI making a lower low on both the intraday and daily technical, suggesting upside moves should be against the trend. The futures are moving higher into the E.U close with as traders look to rebalance risk; however, upside moves that fail at or below USD 149.85 remain vulnerable to further tests to the downside, above this level the futures will target the USD 154.20 fractal resistance. Technically bearish.

## Copper

As noted on Friday the futures were not a technical sell as price at that point remained in the support band, a weaker U.S session into the close resulted in the futures trading below the USD 10,153 support, meaning we targeted the USD 9,820 level. The fractal support at USD 9,820 has been broken with key support now at USD 9,778, below this level the futures will have traded below the starting point of February's short squeeze. The driving force is the economic slowdown/Covid in China, the close today will be below the EMA support band indicating the futures trend is transitioning to the sell side, we do note that the futures have entered the weekly support band with key support on the higher timeframe at USD 9,450, if this is broken the weekly trend is bearish based on price. Technically we need to trade below USD 9,778 to be officially bearish, the break in the support band would suggest we already are.

## Capesize

The index is not meeting the market expectations with price only USD 1,310 higher at USD 16,609, this has resulted in the futures finally entering a corrective phase. The May contract is USD 1,625 lower at USD 24,750, meaning the carry is just over USD 8,000. Technically corrective if the index can keep a positive number for a few more days and the futures keep moving lower the disparity gap will be at a manageable level. Time is on the side of the June futures, but the carry is over USD 14,000, based on the May's performance we do not expect the market to be so resilient here and wait for an upside move in the index, suggesting the June contract could close the disparity gap sooner rather than later. The intraday is corrective but the daily technical failed to test key resistance, indicating there is further downside in the futures.

## Panamax

We noted on Friday that the technical had a neutral bias, but momentum suggested we were vulnerable to a test to the downside, as the RSI was below 50 whilst the stochastic was above 70. The index is correcting with price USD 336 lower today at USD 25,367, resulting in the futures having to rebalance to close the carry. The May contract is USD 2,300 lower at USD 25,625 meaning the carry is now closed, if the futures trade below USD 24,750 the technical is weakened further, suggesting we will see an acceleration in the downside move in the index, below USD 22,750 will imply we remain in a complex corrective wave-4, suggesting the USD 16,425 low could be targeted. Likewise, upside moves above USD 29,375 will warn the USD 30,750 and USD 33,625 resistance levels could be tested. A bearish close and a deep pullback would suggest the USD 24,750 fractal support is vulnerable.

## Supramax

A weakening Panamax market and a slowing down in the SMX index (Price is only USD 232 higher at USD 29,685) has resulted in the futures closing the disparity gap today. The May contract is USD 1,925 lower at USD 30,750 resulting in price moving back into the EMA support band. As noted on Friday's technical if the RSI moved below 50 then support levels could be tested, which has been the case. There is still a corrective 3-wave pattern, but the RSI is now below 50 with the stochastic in over-bought territory, suggesting the USD 29,950 level is likely to come under pressure soon. This technical is weakening, if the USD 28,250 fractal support is broken, then the USD 26,750 levels is likely to come under pressure.

## Oil

We noted on Friday that the futures had proven to be resilient considering the bearish news, however this could be just a delayed reaction. Price is now USD 6.25 lower at USD 100.45 with the USD basket still rising, if we hold above the USD 9,757 level then there is a potential bullish Gartley pattern in play; however, if we trade below this level then we target the USD 92.90 support. Price is now below the EMA support band, if we close below it, then it will strengthen a bear argument. It is worth noting that the USD basket is going parabolic which can only be sustainable for a couple of more days, when we break the curved trend line, we could see oil finding support.

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