

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24500	24175	-1.3%	Pmx 1 month forward	25625	25300	-1.3%
Cape Q322	34750	34425	-0.9%	Pmx Q322	26750	26875	0.5%
Cape Cal 23	22475	22275	-0.9%	Pmx Cal 23	16750	16750	0.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	30750	30775	0.1%	Brent	102.63	105.18	2.5%
Smx Q3 22	28750	29375	2.2%	WTI	98.62	101.61	3.0%
Smx Cal 23	16750	16825	0.4%	Iron ore	136	139.45	2.5%

Iron ore

Source FIS/Bloomberg

Industrial metals from copper to iron ore recouped some of Monday's losses after China pledged more support to help revive an economy that's been imperilled by an escalating virus outbreak. Copper rose as much as 2.3% as China's central bank vowed to increase monetary support to the real economy, especially for industries and small businesses hit hard by the pandemic, it said in a statement on Tuesday. That follows the People's Bank of China's decision Monday to cut the amount of money that banks need to have in reserve for their foreign currency holdings, an attempt to help limit the drop in the yuan (Bloomberg). The May futures have moved higher today with price closing the day at USD 140.90, up USD 8.00 from yesterday's low. However, part of this will be as noted yesterday, traders rebalancing their books, the vow of support has not lifted price out of bear territory, meaning we maintain our view that this upside move looks like it could be counter-trend at this point. Key resistance is at now at USD 147.08, we remain vulnerable below this level and neutral above.

Copper

As noted in iron ore, the markets have stabilized on the back of support from the Chinese government. Copper is up on the day but trading below its opening price, indicating the technical remains weak, downside moves below USD 9,756 (yesterday's low) have the potential to create a positive divergence with the RSI, however upside moves that fail at or below USD 10,144 remain vulnerable to further tests to the downside, above this level the futures will have a neutral bias. The daily technical remains bearish having created a lower low in the market, we are seeing a drop in the aggregate open interest but at this point it is not significant, suggesting market longs are holding their nerve at this point.

Capes

The futures started the day on a positive note with the May contract trading to a high of USD 25,625 early on. However, the index came in only USD 1,381 higher at USD 17,991 leaving market buyers with little room to manoeuvre, resulting in the futures closing the day USD 325 lower at USD 24,175. On a positive note, the carry continues to narrow and is now at USD 6,184, on a negative note we roll in 3 days meaning the focus is now on the June contract which has a carry of USD 11,759, this is still too big, but it has dropped from around the 16-17 k level of Friday. Either way the June must correct further or maintain a holding pattern and hope the index continues to move higher. Focus today is the Cape v Panamax Cal 23 spread, this has been in a holding pattern for some time but is starting to look vulnerable. For more information on the spreads please follow the link. Cape v Pmx Technical Report 26/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-3-PAGE-TECHNICAL-REPORT-CAPE-v-PMX-26-04-22.pdf>

Panamax

We have a similar pattern to the capes today, price moved higher early on with the futures up to USD 26,000 in the morning session. However, the index continues to disappoint with price coming in USD 430 lower at USD 24,937, resulting in the May contract giving up early gains to close the day USD 500 lower at USD 25,125. This will make for an interesting open in the morning as the daily pivot point should come in around USD 25,291 whilst we have an important support at USD 24,750, something must give. If it is the support then this correction starts to look complex with market sellers looking to target the USD 22,750 fractal level on the daily technical, if broken, we go from bullish with a neutral bias, to bearish. If we open above the daily pivot point then market shorts will need to be cautious, with no definable trend (based on longer period averages) we could see market buyers look to squeeze out yesterday's short entries. This technical looks vulnerable, however we think there could be a mean reversion play in the Pmx v Smx Q3-22 spread, upside is probably only 1k but it is looking undervalued at the moment. For more information on the spreads, please follow the link. PMX v Smx Technical Report 26/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-3-PAGE-TECHNICAL-REPORT-PMX-v-SMX-26-04-22.pdf>

Supramax

The index continues to move higher but is also slowing down, price is up USD 173 at USD 29,858, suggesting that without some decent physical fixing soon price will be negative before the week ends. In the futures it was a disappointing day, the intra-day futures are on the 4-hour 200-period MA, a benchmark average that has left the market in a bit of a quandary, without any defined direction it has done the sensible thing, not moved, and stuck to the average like glue. Corrective but on support and waiting to see if the index will turn negative or not.

Oil

The futures rallied into the U.S close last night which has saved the technical somewhat, if you read the rip-roaring morning report I write, you will know that there is a bullish Gartley pattern in play. Support has not come from the USD basket weakening, that trend is still parabolic but has the potential to get interesting tomorrow; if I am right, then we open the wrong side of the curved trend support tomorrow. The reality is that support has come from Putin, new on Bloomberg - Russia has halted gas deliveries to Poland, according to news website Onet.pl, the latest ratcheting up of tensions between Moscow and European capitals over crucial energy supplies. European gas prices surged as much as 17% after the report, which cited government sources it did not name. The Polish gas system operator said it was ready for potential cuts. The Polish government and Gazprom PJSC were not immediately available to comment. Moscow and Europe are locked in a standoff over how gas should be paid for -- and the risk of a cut-off has been growing for weeks. The Kremlin has said that gas must be paid for in rubles but the European Union considers that would breach sanctions as well as strengthening Russia's hand unacceptably. Poland has made clear it will not pay in rubles. The deadline is approaching for the first payments for April supplies to be made -- and European officials and executives are trying to figure out how best to respond. Europe is hugely dependent on Russian gas and has so far mostly carved energy out of its sanctions. - It is extremely hard to see how the E.U is going to get out of this one, if it can't, and the taps get turned off there could be some more wild moves coming in oil.

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