

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	24175	25250	4.4%	Pmx 1 month forward	25250	26700	5.7%
Cape Q322	34425	34825	1.2%	Pmx Q322	26875	27825	3.5%
Cape Cal 23	22275	22475	0.9%	Pmx Cal 23	16750	16800	0.3%

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Smx 1 month forward	30775	31875	3.6%	Brent	105.66	104.02	-1.6%
Smx Q3 22	29375	29975	2.0%	WTI	101.71	100.54	-1.2%
Smx Cal 23	16825	16975	0.9%	Iron ore	139.45	141.5	1.5%

Iron ore

Source FIS/Bloomberg

Iron ore futures rose for a second day as China’s key steel hub eased some virus controls and the nation’s pledge to boost infrastructure spending aided demand prospects. The raw material traded near \$140 a ton in Singapore, recouping further losses after falling almost 10% Monday on concerns over the impact of China’s worsening Covid outbreak. The consumption outlook took a brighter turn after some areas in Tangshan city, including Caofeidian, lifted a lockdown and allowed the gradual reopening of firms, while President Xi Jinping vowed to spur infrastructure construction. The Covid flareups in China have wreaked havoc on consumer spending and the supply chain. Regions making up a third of the nation’s economy expanded slower than the national growth rate in the first quarter. For steel mills, procurement costs for iron ore, scrap steel and coal have all edged up in March, the top industry body China Iron & Steel Association said in a WeChat post. “Market sentiment has improved but the Covid impact on downstream demand still needs to be closely monitored,” Holly Futures wrote in a note, adding that the destocking of iron ore inventories at ports seems to be continuing (Bloomberg). The May futures are moving higher with price entering the Fibonacci resistance zone. The RSI remains below 50 with the stochastic in overbought territory, momentum is warning the futures are vulnerable to a test to the downside. Key resistance remains unchanged at USD 147.08; price remains vulnerable to further tests to the downside below this level and neutral above. Technically bearish in what looks to be a countertrend move.

## Copper

The intraday futures remain below the EMA resistance bands; the upside move on the Asian open failed below the USD 9,981 Fibonacci resistance, resulting in the futures trading down to the days low. The technical is bearish, below USD 9,756.50 price will create a positive divergence with the RSI, not a buy signal it does warn of the potential for a momentum slowdown. We are starting to see the futures find a base; however, a double bottom into two lower highs is suggesting momentum still lies to the sell side at this point. Technically bearish but not a technical sell due to the potential divergence.

## Capesize

The index continues to move higher, but we are seeing a slowdown with price USD 469 higher at USD 18,460. This did not hamper the May contract which closed the day at USD 25,250, up USD 1,075. For more information on the technical please follow the link. Capesize Technical Report 27/04/22 <https://fisapp.com/wp-content/uploads/2022/04/FIS-4-PAGE-TECHNICAL-REPORT-CAPE-SIZE-27-04-22.pdf>

## Panamax

We noted yesterday that we had key support at USD 24,750 and the daily pivot around the USD 25,291 level, if support was broken the corrective move starts to look complex. If price opened above the daily pivot point, we had the potential to see market shorts get squeezed. The futures traded above the daily pivot level just after the open, resulting in the futures trading USD 800 higher in the morning session before the index came in only USD 134 lower at USD 24,803, resulting in another round of buying. Price closed the day USD 1,450 higher at USD 26,700, meaning the daily candle has closed above the high of the low candle, suggesting we could see further upside tomorrow. Technically neutral with price still below the daily EMA band, a close above USD 27,775 would suggest the USD 29,375 fractal resistance could be tested.

## Supramax

Yesterday it was all about the 200-period MA on the intraday chart with price not moving due to the lack of directional bias. The futures followed the Panamax higher on the open, supporting bullish momentum with price pushing away from the longer-term average. The index has seen a small acceleration, up USD 173 yesterday price came in USD 237 higher today at USD 30,095. The improving rate of change in the index resulted in the May futures closing the day USD 1,100 higher at USD 31,875. Indecision yesterday and a bullish close today is a start, we now need to see the futures close above the USD 32,750 level, as this is the dominant bear candle from the 25/04, above this level the futures have a chance of going on a run.

## Oil

Germany is prepared to back a gradual ban on Russian oil as European Union countries scramble to respond to an escalating energy crisis. Another Aframax with Urals crude from Baltic is now heading to China. Germany and Austria have also agreed to buy Russian oil in rubles after German energy company Uniper said a payment scheme in rubles to Russia is not in contradiction to sanctions (Bloomberg). The oil futures completed the bullish Gartley move in the Asian session when price traded above the USD 106.27 resistance. The futures have since entered a corrective phase, downside moves that hold at or above USD 102.86 will support a bull argument, below this level we target the USD 101.08 and USD 97.57 support levels. Technically neutral the futures continue to trade within the daily EMA support band.

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