FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	37250	37500	0.7%
Cape Q322	38300	38500	0.5%
Cape Cal 23	23700	23688	-0.1%

	Previous Close	Current Close	% Change
Pmx 1 month forward	29125	29175	0.2%
Pmx Q322	29175	29500	1.1%
Pmx Cal 23	17975	17925	-0.3%

	Previous Close	Current Close	% Change
Smx 1 month forward	33375	33500	0.4%
Smx Q3 22	31375	31250	-0.4%
Smx Cal 23	17875	18000	0.7%

	Previous Close	Current Close	% Change
Brent	112.39	106.38	-5.3%
WTI	109.77	103.53	-5.7%
Iron ore	138.44	131.99	-4.7%

Source FIS/Bloomberg

Iron ore

Futures in Singapore are about to collapse into a bear market below $130/ton. The drop has come as China concerns swell, the Fed tugs on the brakes, and big miners in Australia and Brazil keep on churning out the tons and saying they are on course to hit full-year guidance just fine. Rewind a mere couple of months, and the price was north of $165/ton as the party crested. That seemed unsustainable. China's steel industry is not in great shape, and lockdowns keep on hurting. While the curbs will, of course, be lifted at some stage, and Beijing may wade in with more infrastructure spending, risks remain to the downside for now. So, as the kids get picked up, it would be a brave investor to look for a bottom just yet (Bloomberg). We had noted that the USD 133.25 support in the May had looked vulnerable for most of last week, weakening price action means this has now been achieved with the futures trading to a USD 129.80 low. The May contract is now in divergence, warning that we had the potential to see a momentum slowdown. However, the June futures have traded to a low of USD 125.35 with the RSI making new lows, intraday Elliott wave analysis is warning that resistance levels could hold, as there is potentially further downside within this cycle. Technically bearish.

Copper

Copper extended a slide to the lowest since December, amid a broad selloff across metals on the back of mounting worries about demand in major buyer China. Known as an economic bellwether, copper has slipped for the past five weeks and is near the lowest since October. U.S. equity markets dropped, with the S&P 500 at the lowest in a year, signalling concerns over how much the Federal Reserve will have to boost rates without throwing the economy into a recession. "In the eyes of some market participants, there is apparently a danger that the Fed will stifle the economy by raising interest rates too aggressively," said Commerzbank AG analyst Daniel Briesemann in a note. "Sentiment has therefore deteriorated noticeably" (Bloomberg). As noted in the Bloomberg comment the futures continue to deteriorate with price trading to a low of USD 9,139 before moving higher into the E.U close to trade at USD 9,180. The RSI support has held for now; however, if support is broken then the positive divergence will have failed. Upside moves that fail at or below USD 9,555 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Technically bearish the recent downside move is putting the RSI under pressure, suggesting the divergence could fail. However, this will put the RSI into oversold territory suggesting market sellers should remain cautious regardless.

Capesize

Having seen the index RSI move above the 64 level we continue to see price move higher, up USD 2,410 today at USD 2,6412. We noted in the morning technical that above USD 37,750 the futures had the potential to create a negative divergence with the RSI. Price traded to a high of USD 38,500 in the June contract before selling USD 1,000 lower at USD 37,500. Downside moves below USD 36,500 will mean the intraday technical has entered a corrective phase, warning support levels could be tested. Corrective moves lower that hold at or above USD 28,765 will support a bull argument, below this level the futures will have a neutral bias. A lower time-period wave cycle (24 min) has now entered a bullish impulse wave 5, meaning we have the potential to trade as high as USD 45,354 within this phase of the cycle; however, the new high means the minimum requirement for phase completion has been met, making USD 36,500 the key support to follow. If broken then the bullish intraday impulse phase will have completed.

Panamax

Another bullish index today with price USD 521 higher at USD 27,757. The June futures moved higher in the morning session with price trading up to USD 30,250 before coming under pressure in the U.S session, to close the day at USD 29,175, USD 50 higher on the day. We now have a bearish rejection candle in play; if we trade above USD 30,250 then we have the potential to trade as high as USD 31,965 within this phase of the cycle. However, downside moves below USD 28,875 will mean the intra-day technical has entered a corrective phase, warning support levels could be tested. Corrective moves lower that hold at or above USD 26,620 will support a bull argument, below this level the futures will have a neutral bias. Technically bullish the rejection candle today is warning the USD 28,875 support could come under pressure tomorrow.

Supramax

On the plus side the index is positive, on the negative price movement remains limited with the index only USD 33 higher to-day at USD 30,057, the intraday trend remains bullish, but the June futures continue to consolidate. Downside moves that hold at or above USD 31,935 will support a bull argument, below this level the futures will have a neutral bias. Technically bullish, if we see corrections in the larger size vessels, we could see the futures come under pressure.

Oil

Oil fell below $105 as investors weighed several bearish factors including the European Union softening its sanctions on Russia and a broader market selloff. West Texas Intermediate dropped more than $5 a barrel as oil faced pressure from multiple fronts. The EU looked set to weaken its sanctions package on Russia and Saudi Arabia cut its prices in a sign of flagging demand in top importer China. Equity markets retreated over concern how much the Federal Reserve will have to boost rates to tame inflation. "The less prohibitive sanctions plan on Russian oil may take less of its supply offline, and highlights the complexity of sanctions against Russian energy," said Rohan Reddy, director of research at Global X Management. "The pushback from some EU members like Hungary and Slovakia could mean the EU may need to go back to the drawing board on its initial sanctions proposal." The EU will drop a proposed ban on its vessels transporting Russian oil to third countries but will retain a plan to prohibit insuring those shipments, according to documents seen by Bloomberg and people familiar with the matter. Russia said Monday it expects its oil production to rise in May, and that it is seeing new buyers for its crude, including in Asia (Bloomberg). A strong downside move in the futures has resulted in price trading USD 5.58 lower at USD 106.81, the futures are now back in the EMA support band. The technical remains neutral on the basis that the EMA support band is flat, there is a lack of trend in the market. If we remain at these levels then the close will imply of further downside pressure tomorrow; however, with price in the support band this remains a dangerous level to enter fresh market shorts. Upside moves that close above USD 113.20 will warn the USD 114.00 and USD 114.84 fractal resistance levels could be tested. Likewise, a close below USD 104.51 (the base of the support band) would indicate further technical weakness, suggesting the USD 99.48, USD 97,57, and USD 96.93 support levels could be tested. Not a technical sell due to the support band, it is looking vulnerable.

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