



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	36500	38500	5.5%	Pmx 1 month forward	28225	28375	0.5%
Cape Q322	37625	38250	1.7%	Pmx Q322	28250	28375	0.4%
Cape Cal 23	24750	23500	-5.1%	Pmx Cal 23	17425	17475	0.3%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	32750	32500	-0.8%	Brent	102.46	107.71	5.1%
Smx Q3 22	30500	31000	1.6%	WTI	99.76	105.61	5.9%
Smx Cal 23	17325	17500	1.0%	Iron ore	126.44	131.78	4.2%

Iron Ore

Source FIS/Bloomberg

The June futures moved higher today with price closing above the USD 130.90 level highlighted in yesterday's technical, warning that resistance levels could be tested. The futures have closed the evening session at USD 132.00 with near-term resistance at USD 132.60, upside moves that fail at or below USD 139.16 will leave the futures vulnerable to further tests to the downside. We noted yesterday that the new low in the RSI is warning that upside moves have the potential to be counter-trend, at this point we maintain this view. Downside moves below USD 123.60 will target the USD 119.95 and USD 112.51 support levels.

Copper

Copper and aluminium extend gains as prices near the lowest levels this year prompted some investors to seek bargains amid tight global supplies, shrugging off data showing higher-than-expected US inflation. Copper rose 1.4%, even as US consumer prices rose more than expected in April, indicating inflation will remain elevated for longer and the Federal Reserve may have to be more aggressive with rate hikes. The core consumer price index, which excludes food and energy, increased 0.6% from a month earlier, exceeding the 0.4% estimate. The broader CPI rose 0.3% from the prior month and 8.3% on an annual basis, still among the highest readings in decades (Bloomberg). The futures continue to show signs that we are potentially forming a base around these levels with our intraday Elliott wave cycle warning that the bear trend could be seen exhaust. At this point price remains below the EMA resistance band with upside moves that fail at or below USD 9,555 vulnerable to further tests to the downside. Technically bearish but currently finding buying support at these levels.

Capesize

The index continues to move higher with price up USD 2,448 at USD 31,551, we have now moved USD 8,582 higher since the RSI broke above the 64 level. For more information on the technical please follow the link. Capesize Technical Report 11/05/22 <https://fisapp.com/wp-content/uploads/2022/05/FIS-4-PAGE-TECHNICAL-REPORT-CAPE-SIZE-11-05-22.pdf>

Panamax

The index is USD 357 higher today at USD 28,512 meaning the June futures are now trading below the index, warning we could potentially see further weakness in price. Yesterday we broke the USD 28,875 support, indicating the technical had entered a corrective phase. Price moved higher on the open but failed to hold above our USD 28,998 resistance, resulting in the futures trading to a low of USD 27,875. Buying support into the close means we are up USD 150 on the day at USD 28,375, but the technical is looking vulnerable. Corrective moves lower that hold at or above USD 26,620 will support a longer-term bull argument, below this level the futures will have a neutral bias. Technically bullish but in a corrective phase, the futures dropping below index values is a concern.

Supramax

The index is USD 135 higher today at USD 30,345 but we are not seeing an increase in buy-side momentum at this point. Having broken technical support yesterday the June futures opened the day with bids, price traded to a high of USD 33,500 before following the Panamax lower to close the day down USD 250, at USD 32,500. Downside moves that hold at or above USD 32,000 will support a bull argument, below this level the futures will have a neutral bias. As noted yesterday, we have key support at USD 31,000, this level relates to the Elliott wave cycle and its golden rule that wave 3 can never be the shortest. On this basis if we trade below this level any bull move in theory cannot trade above the USD 42,250 high, implying the current move is part of a larger corrective phase. Technically corrective, market bulls will want to see the index show an increase in buy-side momentum, otherwise the technical could be in trouble.

Oil

Oil jumped to near \$105 after slumping for two days, extending gains after a US government report showed fuel inventories plunging to fresh record lows. West Texas Intermediate futures rallied more than \$5 after falling below \$100 a barrel on Tuesday. Covid infections in Shanghai and Beijing dropped on Tuesday, providing cautious optimism for improvement. In the US, the Energy Information Administration reported that distillate inventories fell to the lowest since May 2005, while gasoline supplies in New York Harbour dropped to the lowest since 2015 (Bloomberg). The intraday 1-hour technical is now bullish having traded above the USD 106.35 fractal resistance this morning. Intraday momentum had been vulnerable to a technical pull-back as the RSI was near neutral at 51 whilst the stochastic was overbought; however, the RSI held above the 50 level and the futures moved higher. Price is now approaching the 1-hour 200-period MA (USD 108.04), a close above the average will further support a bull argument. Likewise corrective moves lower that hold at or above USD 103.51 will be considered as bullish, below this level the futures will have a neutral bias. Technically bullish on the intraday with the daily candle now back in the EMA support band, if we close above USD 106.96 (currently 107.36) then we will have a bullish engulfing candle on the daily chart, warning of potential higher pricing tomorrow.

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