

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	35625	36500	2.5%	Pmx 1 month forward	27500	27125	-1.4%
Cape Q322	35750	36000	0.7%	Pmx Q322	27875	27675	-0.7%
Cape Cal 23	22375	22813	2.0%	Pmx Cal 23	17300	17450	0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	31250	31600	1.1%	Brent	111.55	112.86	1.2%
Smx Q3 22	30175	30375	0.7%	WTI	110.49	112.68	2.0%
Smx Cal 23	17275	17400	0.7%	Iron ore	#N/A N/A	129.88	#VALUE!

Iron ore

Source FIS/Bloomberg

Iron ore futures reversed earlier losses and closed higher in China as the nation’s economic support and easing of some virus curbs aided demand prospects, following a slower steel output last month. China has signalled that policy makers will step up support for the economy. The nation is lowering the mortgage rate for first-time homebuyers to bolster the housing market, while officials also announced a phased reopening of shops in Shanghai. The announcement “is boosting confidence in the property sector, but it will still take time to pass on to the end demand,” Holly Futures wrote in a note (Bloomberg). The futures had already traded to a low on Friday meaning the bearish Elliott wave 3 had extended to the downside. This would suggest that upside moves from here are considered as countertrend, key resistance is at USD 138.76, if it holds (or is not tested) it will support a bearish argument, above this level the futures will have a neutral bias. Technically bearish.

Copper

Most industrial metals rose as investors weighed China’s efforts to support its property sector despite weak economic data. Metals rose broadly after the country’s central bank on Sunday effectively cut interest rates on new mortgages in the latest step to arrest a deep property slump. Shanghai also moved closer to easing lockdown measures that have squeezed the city’s economy and snarled regional supply chains. The rise in metal prices is “presumably because market participants are hoping that the situation will now begin to improve and that the economy -- and thus demand for metals -- will grow,” Commerzbank AG analyst Daniel Briesemann said in a note (Bloomberg). The trend remains technically bearish but the upside move on the Asian open means we now have a neutral bias. Above USD 9,390 the intraday futures will have made a higher high, indicating the intraday technical has entered bullish territory. The EMA resistance band remains well spaced with the RSI below 50 and the stochastic in overbought territory, momentum remains vulnerable to further tests to the downside. Countering this is the intraday Elliott wave cycle which warns that we have the potential to see the bearish trend soon exhaust. Bearish, but we maintain our view that the futures are not a technical sell at this point.

Capesize

The index is USD 152 lower today at USD 32,581, however expectations had been for a weaker number. The June contract opened near Fridays lows before moving to a high of USD 36,750, before closing the day at USD 36,500. Technically the trend remains bullish but in a corrective phase, downside moves that hold at or above USD 29,020 will support a bull argument; likewise, upside moves that fail at or below USD 37,674 remain vulnerable to further tests to the downside. Price is above the daily pivot point (USD 35,958) the RSI is below its moving average, intraday price and momentum are conflicting, suggesting there is a neutral bias at this point. Moving higher but not technically bullish at this point and remains vulnerable.

## Panamax

The index is USD 377 lower at USD 27,832, meaning momentum is weakening based on price. The June futures started the day supported with price trading to a high of USD 28,125, before coming under pressure after the index came out. Downside moves that hold at or above the USD 26,620 will support a bull argument, below this level the futures will have a neutral bias, warning the USD 24,750 support level could be tested. Likewise, upside moves that fail at or below USD 29,187 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 30,250 high. The RSI is below 50 whilst finding resistance at its moving average, indicating momentum has the potential to weaken further; however, the 1-hour technical is showing a positive divergence with the RSI and will need to be monitored. Technically corrective, the USD 26,620 support is looking vulnerable.

## Supramax

Having recently turned to the buy side, the index has moved lower today by USD 48 to USD 30,224, momentum is now weakening based on price. The pullback in the June futures is already deep meaning the technical has a neutral bias. Upside moves that fail at or below USD 32,965 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 33,875 high. Technically bullish with a neutral bias, intraday wave analysis is warning that the upside move that started in early April is potentially part of a larger corrective phase, warning support levels could soon be tested.

## Oil

Oil rallied as a global squeeze on refined products continued to pull fuel prices higher. West Texas Intermediate rose 1.6% to trade near \$112 on Monday as US gasoline futures topped \$4 a gallon for the first time ever. Rising futures tend to trickle through to the pump quickly, signalling more pain for drivers when the summer driving season starts at the end of this month. "The stronger products get, the more optimistic the market gets on crude runs increasing this summer," said Scott Shelton, an energy specialist at TP ICAP Group Plc (Bloomberg). The longer-term technical remains neutral supported by the daily EMA band remaining flat, indicating a lack of trend in the market. Upside moves above the USD 114.84 level will break a key fractal resistance warning that the USD 123.74 level will be targeted. Likewise, downside moves below the EMA support band (USD 107.80 -USD 105.11) will warn the USD 101.30 level could be tested. Technically neutral with momentum aligned to the buy side, warning key resistance could soon be tested.

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