

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	41050	42000	2.3%	Pmx 1 month forward	28625	29375	2.6%
Cape Q322	37416.5	37950	1.4%	Pmx Q322	28825	29625	2.8%
Cape Cal 23	22719	22500	-1.0%	Pmx Cal 23	17625	17700	0.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	32250	32500	0.8%	Brent	111.5	111.34	-0.1%
Smx Q3 22	31075	31050	-0.1%	WTI	111.65	112.46	0.7%
Smx Cal 23	17525	17700	1.0%	Iron ore	127	134.05	5.6%

Iron ore

Source FIS/Bloomberg

Iron ore futures in Singapore were on track for the first weekly advance in five as China's move to slash borrowing rates and shrinking stockpiles of the steelmaking raw material buoyed sentiment. Base metals also rose. Futures in Singapore surged more than 6% after midday trading, marking its largest daily increase since mid-March. Chinese banks cut a key interest rate for long-term loans by a record amount on Friday, a move that would reduce mortgage costs and may help counter weak loan demand. Meanwhile, iron ore stockpiles at major Chinese ports dropped for an eighth consecutive week, according to Mysteel data compiled by Bloomberg. The rate cut resulted in the June futures trading above the USD 131.05 fractal resistance, suggesting that the bearish Elliott wave cycle has completed. Post close the futures have just dropped USD 6.00 bucks, the only thing I can see in the news is the lifting of the India ban, but this came out this morning so not sure this is a real move or just a fake out. Our wave analysis is suggesting the downside cycle has completed.

Copper

The futures moved higher in the E.U morning session before seeing some profit taking in the afternoon. Price is above the EMA band which have compressed, suggesting that our wave analysis could be correct, and the futures are in the process of transitioning to the buyside. Downside moves that hold at or above USD 9,278 will support a bull argument, below this level the futures will have a neutral bias. However, the intraday futures remain bullish above USD 9,159.5. Technically bullish with price above the resistance band, we are seeing the futures roll over into the close on what is potentially some profit taking.

Capesize

The index continues to push with price USD 1,170 higher today at USD 37,583. We have had a mixed day in the June futures with price finding a base in the morning session before closing USD 950 higher at USD 42,000. The intraday futures are in divergence with the RSI warning that momentum has the potential to slowdown soon; however, our intraday target on the 4-hour chart is at USD 46,521 whilst on a lower timeframe it is at USD 46,032, both of which would suggest we should trade to new highs before entering a corrective phase. Technically bullish, there are warning signs we could soon exhaust but we think (Based on the Elliott wave) that we could trade to new highs first.

Panamax

The index is USD 114 higher at USD 29,104 but the futures are starting to slowdown warning we could enter a corrective phase soon. For more information on the technical please follow the link. Panamax Technical Report (negative divergences in play) 20/05/22 <https://fisapp.com/wp-content/uploads/2022/05/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-20-05-22.pdf>

## Supramax

We remain steady in the index with price USD 171 higher at USD 30,971 today. Having corrected yesterday the futures held above the USD 31,939 support, resulting in price opening bid this morning. The upside move has not held with the futures closing USD 500 off their highs at USD 32,500, up USD 250 on the day. We have key resistance at USD 32,907 which remains intact, leaving the futures vulnerable to a test to the downside. The trend is technically neutral with price between key support and resistance levels, as mentioned previously the daily EMA support band remains flat indicating we have a neutral bias at this point.

## Oil

US gasoline and jet fuel demand gathered pace as consumers get set for a busy summer travel season. Europe is a little behind the curve, while China's strict zero-Covid policy continues to quell both air and road travel in cities such as Beijing. Weekly US demand for gasoline through May 13 jumped above 9 million barrels a day for only the second time this year in a sign that there's enough desire for summer travel to overcome record pump prices. The latest reading from the Energy Information Administration is only about 1.3% less than the same week in 2019. A less-volatile measure, the four-week rolling average, climbed to its highest so far this year (Bloomberg). The futures moved higher in the US session yesterday and again on the Asian open to trade up to USD 113.15. However, price is starting to come under pressure into the close on the back of a rising dollar with price approaching the USD 111.23 level, if it holds it will support a bull argument; if broken, we target the USD 110.52 fractal support. Downside moves that trade below the USD 110.52 level will put the intraday 1-hour technical in bear territory. Technically bullish on the 1-hour chart, whilst the 4-hour and daily charts are bullish, but with a neutral bias.

Ed Hutton

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](https://www.freightinvestorservices.com)