

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	42000	39250	-6.5%	Pmx 1 month forward	29375	28575	-2.7%
Cape Q322	37950	36750	-3.2%	Pmx Q322	29625	28950	-2.3%
Cape Cal 23	22500	22375	-0.6%	Pmx Cal 23	17700	17525	-1.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	32500	31500	-3.1%	Brent	112.91	113.42	0.5%
Smx Q3 22	31050	30675	-1.2%	WTI	112.7	110.8	-1.7%
Smx Cal 23	17700	17450	-1.4%	Iron ore	134.05	134	0.0%

## Iron Ore

Source FIS/Bloomberg

Iron ore rose to a two-week high on hopes that Shanghai will continue to ease virus restrictions, while the steelmaking ingredient also got a boost after China cut borrowing rates. The market has been buoyed by signs that the government will throw its weight behind bolstering industrial production, after cutting a key interest rate by a record amount last Friday. Meanwhile, starting next month, Shanghai will categorize parts of the city that have not reported any infections for 14 days as low risk, a move that may signal a gradual easing of restrictions in those areas. Blast furnace rates in Tangshan, the country's major steelmaking hub, have ticked up steadily over the past three weeks and are on course to a year-to-date high, according to data by Custeel compiled by Bloomberg. The futures are now testing a key trend resistance on the daily chart. For more information on the daily technical please click on the link. Iron Ore June 22 (rolling Front Month) 23/05/22 <https://fisapp.com/wp-content/uploads/2022/05/FIS-Technical-Iron-Ore-23-05-22.pdf>

## Copper

The futures continue to move higher on what looks to be the initial stages of a new bullish trend based on our intraday wave analysis. A weakening US dollar has been the main driver of the futures today having initially produced an indecisive open, the futures moved higher in the U.S session. Price is currently finding resistance at the USD 9,549 level, if broken we target the 100% projection level of the initial move between the 12 – 17th May, projected from the USD 9,159.50 low on the 19/05. Downside moves that hold at or above USD 9,291 will support a bull argument, below this level the intraday futures will have a neutral bias. Technically bullish on the intraday, price is now approaching the base of the daily resistance band USD (9,624-USD 9,785), a close above the band will further support a buyer's argument.

## Capesize

The index remains bullish, but we are seeing a momentum slowdown with price only USD 631 higher today at USD 38,169. The carry with the June futures is now around USD 1,000 due to price moving USD 2,750 lower to close at USD 39,250. Downside moves that hold at or above USD 37,642 will support a bull argument, below this level the probability of the futures trading up to new highs will decrease. On the intraday technical we do have the RSI above 50 with the stochastic in oversold territory, momentum is warning the futures are vulnerable to a test to the upside; however, if the RSI moves below 50 then the oversold stochastic is less relevant. Technically bullish but in a corrective phase, the close today is warning that support levels have the potential to come under pressure tomorrow.

## Panamax

The index entered negative territory today with price USD 48 lower at USD 29,056, a close below USD 28,703 will indicate that momentum is weakening based on price. The June contract also came under pressure with the futures trading USD 850 lower at USD 28,525, downside moves that hold at or above the USD 28,230 level will support a bull argument, below this level the futures will have a neutral bias. Price is going to close below index values, warning that the USD 27,125 support level could also be broken soon; if it is the technical is bearish. A weak close today is warning that the futures have the potential to enter a bearish phase soon.

## Supramax

Momentum is slowing based on price with the index up only USD 31 higher today at USD 31,002, a close below USD 30,582 will confirm that momentum is weakening based on price. The futures have followed the rest of the freight complex down today with June contract closing USD 1,000 lower, at USD 31,500. A deep pullback means the intraday technical has a neutral bias, below USD 30,750 the daily technical is bearish. We have previously highlighted our concerns regarding the upside move in the futures, with wave analysis suggesting that the move is countertrend. The futures are now weakening with key support looking vulnerable.

## Oil

Oil eased off earlier gains with the European Union's ban of Russian oil looking increasingly unlikely to pass. West Texas Intermediate futures fell below \$110 a barrel. The EU's proposal to phase out Russian oil has reached an impasse, with Hungary continuing to oppose the embargo. Eastern Europe is highly dependent on Russian crude, as Russia shipped about 720,000 barrels a day of crude through its main pipeline to the region last year. "The blowback of passing the ban would be so extreme" that crude could be close to touching all-time highs, said Bob Yawger, director of the futures division at Mizuho Securities USA. "The most likely scenario is not an EU ban on imports. It's more along the lines of the G7 countries to impose tariffs on Russian Barrels and price out Russian crude oil" (Bloomberg). USD 114.00 is the key level to close above, for more information on the technical please follow the link. FIS Technical – Brent July 22 23/05/22 <https://fisapp.com/wp-content/uploads/2022/05/FIS-Technical-Oil-Report-23-05-22.pdf>

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