

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	34250	32625	-4.7%	Pmx 1 month forward	27625	27125	-1.8%
Cape Q322	36000	35250	-2.1%	Pmx Q322	28325	28000	-1.1%
Cape Cal 23	22400	22450	0.2%	Pmx Cal 23	17500	17500	0.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	31250	30600	-2.1%	Brent	114.03	117.1	2.7%
Smx Q3 22	30450	29850	-2.0%	WTI	110.33	114.32	3.6%
Smx Cal 23	17475	17575	0.6%	Iron ore	133.34	132.47	-0.7%

Iron Ore

Source FIS/Bloomberg

The futures have moved higher in the evening session with price trading at USD 131.20 into the close. However, the deep pull-back in the June futures means the trend remains neutral, upside moves that fail at or below USD 134.70 will leave the technical vulnerable to further tests to the downside, above this level the futures will target the USD 139.15 high. This phase of the Elliott wave cycle completed when the futures traded to a low of USD 119.80 on the intraday, suggesting the near-term technical is now bullish. If we trade above the USD 139.15 high but fail at or below USD 151.61 then we suggest a note of caution as there could be a larger bear cycle in play, it is a little early to tell, but it needs to be monitored just in case.

Copper

The futures did enter a corrective phase, trading lower yesterday and this morning, however we are finding buying support into the close with price trading at USD 9,382. If we stay around these levels we will have a bullish rejection candle in play, warning resistance levels could be tested. Remembering the intraday Elliott wave cycle to the downside looks to have completed on the USD 8,938 low, supporting a near term bull argument. Countering the wave count is the daily technical, at this point the futures are below the daily EMA resistance band, meaning we will need to see more to the upside to convince that the trend has officially transitioned to the buy-side. The downside move in the futures this morning has traded below the USD 9,297 support, meaning the intraday technical although bullish does now have a neutral bias. Technically bullish with a neutral bias, if we get the bullish rejection candle we could move higher tomorrow.

Capesize

A weak index today with price USD 4,229 lower at USD 28,840 has put the June futures under pressure; however, the index is still corrective, only below USD 20,321 will it have a neutral bias. We noted on the daily technical yesterday that the futures looked to be in a corrective wave 4 of this larger Elliott wave cycle. Price has moved USD 1,750 lower to close the day at USD 32,500, downside moves that hold at or above USD 28,690 will support a longer-term bull argument, below this level the futures will have a neutral bias. Upside moves that fail at or below the USD 39,677 will leave the futures vulnerable to further tests to the downside. Technically price is bearish based on the lower low, and this is the lead indicator, the wave cycle is warning this move could be countertrend, however the deeper we pullback the lower the probability of the futures making a new high. At this point the technical is holding in bull territory, making USD 28,690 a key point of focus going forward.

Panamax

The index is USD 706 lower today at USD 26,923, but we are seeing some buying support in the June futures coming into the close. For more information on the technical, please click on the link. Panamax Technical Report 26/05/22 <https://fisapp.com/wp-content/uploads/2022/05/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-26-05-22.pdf>

Supramax

Momentum based on price in the index has been slowing down for the last couple of days, resulting in the index turning lower today (down USD 116 at USD 31,052). The upside move in the futures failed to hold yesterday resulting in the June futures trading to a low of USD 30,500; however the new low has created a positive divergence with the RSI on the intraday technical, warning we have the potential to see a momentum slowdown soon. Note, this is not a buy signal as divergence can and do fail at times. Upside moves on the daily technical that fail at or below USD 32,397 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Technically bearish with key support at USD 28,250 and USD 26,750, the intraday divergence will need to be monitored.

Oil

Oil, bolstered by a broad-based market rally, rose for a second day as US crude and gasoline stockpiles showed signs of continuing decline ahead of the summer driving season. West Texas Intermediate futures rose more than 3% alongside a rebounding equity market, while the dollar fell, which makes commodities priced in the currency cheaper. Global crude markets continue to tighten due to a combination of rebounding demand and disrupted Russian supplies. US gasoline stockpiles declined to the lowest seasonal level since 2014, according to government data on Wednesday (Bloomberg). We noted on the morning report that the futures although technically bullish were vulnerable to a technical pullback, price did test the USD 114.20 Fibonacci support; however, US data has resulted in the futures moving USD 3.12 higher at USD 117.16. technically bullish, the upside breakout is warning the USD 123.74 fractal resistance could be tested.

I am off on holiday; I will be back in the office on the 06/06/22

Ed Hutton

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