

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16500	16025	-2.9%	Pmx 1 month forward	16200	16400	1.2%
Cape Q2 23	17775	17375	-2.3%	Pmx Q2 23	16100	16350	1.6%
Cape Cal 24	15825	15825	0.0%	Pmx Cal 24	13400	13500	0.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15900	15475	-2.7%	Brent	86	85.86	-0.2%
Smx Q2 23	15750	15500	-1.6%	WTI	79.85	80.01	0.2%
Smx Cal 24	13600	13600	0.0%	Iron ore	125.5	124.7	-0.6%

Iron Ore

Source FIS/Bloomberg

Commodities from iron ore to copper fell after China set a cautious economic growth target of about 5% for the year and didn't announce any major new stimulus. The goal unveiled at the National People's Congress was below what most economists had been expecting, giving Beijing more room for maneuver after it missed last year's target by a wide margin. The absence of a landmark announcement to boost real estate and infrastructure is damping enthusiasm among metals investors. None of the official documents released so far at the NPC suggests authorities are keen on the kind of massive boost deployed to right the economy after the global financial crisis or at the beginning of the pandemic. The target for local government bond sales — the backbone of infrastructure investment that drives the bulk of raw materials demand — was also modest. (Bloomberg). The futures gapped down on the open creating a positive divergence in the April contract, resulting in the futures finding bid support. As a rule, markets don't like gaps and tend to try and close them which has been the case today. The technical is bullish with a neutral bias due to the deep pullback, the question is, 'is the upside move today a genuine sign of support, or the market just fulfilling a function of gap closing'? The rhetoric would suggest the latter, with the technical remaining vulnerable below 125.68, the MA on the RSI would also suggest buyside momentum is vulnerable. however, a USD 4.00 bounce on the intraday would suggest sellers should be a little cautious here.

## Copper

The futures opened lower but found light buying support on the Asian open; we came under pressure when the European market came to life with the futures trading below the USD 8,828 support. However, like iron ore we are seeing the downside being rejected, suggesting market sellers still need to be cautious. The RSI on the MA is implying buyside momentum remains weak, if we trade above USD 9,025 momentum based on price will be seen to be strengthening, warning the USD 9,061 and USD 9,168 resistance levels could come under pressure. Likewise, downside moves below USD 8,810.5 will have bearish implications going forward. A mixed technical that lacks directional bias, leaving us with a more neutral view today.

## Capesize v Panamax Technical Report

Cape v Pmx Technical Report 06/03/23 <https://fisapp.com/wp-content/uploads/2023/03/FIS-CAPE-V-PMX-3-PAGE-TECHNICAL-REPORT-06-03-23.pdf>

## Capesize

The index came in another USD 1,116 higher today at USD 11,026. The April futures opened the day with bid support but have come under pressure due to an intraday divergence. For more information on the technical please click on the link. Capesize Technical Report 06/03/23 <https://fisapp.com/wp-content/uploads/2023/03/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-06-03-23.pdf>

## Panamax

The index continues to push higher with price up another USD 153 to USD 12,904 today. Like the capes, the April Panamax opened supported before selling lower; if we stay like this then we will have a positive close for the day (USD +200 at USD 16,400). However, the intraday technical is now in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown, suggesting caution. Key support is at USD 15,920, the futures are bullish above this level but have a neutral bias below, intraday Elliott wave analysis would suggest we have a potential upside target at USD 20,027 for this phase of the cycle, but as noted, the divergence needs to be monitored.

## Supramax

Another down day in the index today with price USD 101 lower at USD 12,980, a close below USD 12,678 will mean that momentum based on price is aligned to the sell side. The April futures remain in a corrective phase with price closing the day USD 425 lower at USD 15,475. The downside move does look to be countertrend with key support at USD 12,364, the MA on the RSI would suggest that buyside momentum remains weak at this point.

## Oil

We noted on the morning report that upside moves above USD 86.00 will leave the USD 86.21 fractal resistance vulnerable; however, a new high will create a positive divergence with the RSI, warning we could see a momentum slowdown. The futures have traded to a new high (USD 86.13, meaning we are in divergence with the RSI, suggesting caution on upside moves from here.

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