

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17200	17550	2.0%	Pmx 1 month forward	16775	17200	2.5%
Cape Q2 23	18325	18725	2.2%	Pmx Q2 23	16825	17200	2.2%
Cape Cal 24	16000	16275	1.7%	Pmx Cal 24	13775	13800	0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	16175	16625	2.8%	Brent	82.52	82.87	0.4%
Smx Q2 23	16325	16550	1.4%	WTI	76.48	76.85	0.5%
Smx Cal 24	13850	13925	0.5%	Iron ore	126.75	127.5	0.6%

Iron Ore

Source FIS/Bloomberg

Spurred by slumping inventories of overall finished steel nationwide, Chinese rebar and hot rolled coil futures on Thursday rushed to the highest levels since mid-June last year, Kallanish notes. On the Shanghai Futures Exchange, the most-traded May 2023 rebar contract closed CNY 64/tonne higher than Wednesday at CNY 4,313/t (\$619/t), while the same contract for HRC lost CNY 2/t to CNY 4,341/t. The weekly reduction in overall finished steel stocks more than doubled that in the previous week, which boosted market sentiment significantly. Especially, the decline was mainly contributed by rebar and HRC even though rebar production hiked further (Kallanish). We previously noted that we needed to see more from the Iron ore technical, whilst noting on the morning report that the daily technical was finding support in its EMA band. The futures have traded higher this afternoon with price trading above the USD 127.95 fractal resistance and the USD 128.13 Fibonacci level, warning the USD 131.65 fractal high is starting to look like it could be tested and broken. The daily technical now has a 3-wave corrective pattern that has broken fractal resistance having held EMA support; however, above USD 131.65 we will be in divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown. The Elliott wave cycle is a bit messy on the offshore product, so we may need to take a look at the onshore to see if it is making more sense, but at a glance it looks like we are seeing some form of wave extension, but again it is not the clearest of wave counts.

Copper

Copper retreated from its biggest gain in a week following weak Chinese inflation data that indicated demand in the country was relatively muted. China's consumer price index rose less than expected in February as consumption in some sectors fell after the Lunar New Year holiday. The strength of the country's recovery following a year of coronavirus lockdowns has been the key question for metals markets in 2023. Copper smelters in the nation are preparing to boost exports, a sign its manufacturing and construction sectors aren't yet making a decisive recovery. At least four major facilities are planning to deliver 23,000 to 45,000 tons of refined copper in total to London Metal Exchange depots in Asia in coming weeks, Bloomberg News reported. The futures opened weaker but found bid support in the afternoon session. However, the move is struggling to hold at this point, the technical is bearish but with a neutral bias. Downside moves below USD 8,811 will leave the USD 8,713 – USD 8,670 fractal support zone vulnerable, whilst a move above USD 8980 is need for the intraday technical to be bullish.

Capesize

The index continues to move higher with price up USD 932 at USD 13,783; slow and steady looks to be winning the day, words that I thought I would never utter in relation to the Cape market. The April futures had a good start to the day with price trading to a high of USD 18,550 before giving back most of its gains through the rest of the session. We still look like we will have a positive close on the day with price USD 250 higher at USD 17,450; however, it does look like we have a bearish rejection candle on the daily chart. If we close below USD 17,200 tomorrow then we could see price come under pressure, as we are in divergence with the RSI. If we move higher above USD 18,550 the futures are considered a technical buy (Larry William's). The wave cycle is bullish, the potential upside target is at USD 22,844, but the divergence will need to be monitored. Warning signs, but this rejection candle will need confirmation, if you jump too early you could get burnt!

PMX v Smx Technical Report

PMX v Smx Technical Report 09/03/23 <https://fisapp.com/wp-content/uploads/2023/03/FIS-PMX-V-SMX3-PAGE-TECHNICAL-REPORT-09-03-23.pdf>

Panamax

Having turned to the buy side yesterday the index is another USD 292 higher today at USD 13,281. Like the Capes the April contract is on a confirmed bullish Elliott wave 5 with a potential upside target at USD 20,352; however, the intraday futures are also in divergence with the RSI. We have gapped higher this morning, but produced a rejection candle on the daily chart, if we gap lower tomorrow we could have an island reversal pattern in play, warning we could correct. Likewise, if the gap (window holds) and we trade to new highs, then you will be looking at a continuation gap. Roll on the open..

Supramax

The index slowdown yesterday warned we could be above to turn, which has been the case with price USD 205 higher at USD 12,975. We have a technical today, to read it please follow the link. Supramax Technical Report 09/03/22 <https://fisapp.com/wp-content/uploads/2023/03/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-09-03-23.pdf>

Oil

Oil production growth in the US is expected to remain muted this year, with output forecast to settle somewhere between 12.4 million to 12.9 million barrels per day, according to the latest update from BloombergNEF. Production reached 11.9 million barrels a day in 2022. While this would continue the recovery from the Covid nadir, it would still be short of pre-pandemic highs. The shale boom looks to be coming to an end. "This slowdown in growth can be reversed, but we don't see any indications of that happening in the near term," said Claudio Lubis, a BNEF oil analyst (Bloomberg). From the morning report. 'The technical remains bearish but the in divergence at this point, further downside moves below USD 82.06 will create a secondary divergence. However, the MA on the RSI remains weak, suggesting resistance levels could hold in the near-term, meaning support levels are still vulnerable. Like yesterday, momentum is conflicting'. We did not trade below USD 82.06, the futures traded to a high of USD 84.00, resistance held with price going into the close at USD 83.07. Technically we remain bearish with key resistance at USD 85.15.

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