

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	18550	19125	3.1%
Cape Q2 23	19650	20025	1.9%
Cape Cal 24	16450	16400	-0.3%

	Previous Close	Current Close	% Change
Pmx 1 month forward	17262.5	17025	-1.4%
Pmx Q2 23	17625	17225	-2.3%
Pmx Cal 24	13675	13575	-0.7%

	Previous Close	Current Close	% Change
Smx 1 month forward	17000	16725	-1.6%
Smx Q2 23	16925	16725	-1.2%
Smx Cal 24	13875	13700	-1.3%

	Previous Close	Current Close	% Change
Brent	80.74	78.93	-2.2%
WTI	74.69	72.98	-2.3%
Iron ore	131.1	132	0.7%

Iron Ore

Source FIS/Bloomberg

Iron ore rose for a fourth session, with optimism for improved demand in China bolstered by the nation’s approaching peak construction season. The steel-making ingredient has been gaining on expectations of increased restocking as the country looks set to ramp up steel production during the second quarter. Some analysts remain confident that an imminent restart to stalled infrastructure projects will lift prices further. The iron ore market during the first half looks “relatively tight,” according to a Morgan Stanley research report, headed by Amy Sergeant. That’s due to more Chinese steel production expected during the construction season and the backlog in infrastructure projects, according to the report (Bloomberg). Little has changed from a technical perspective with the futures remaining in a bullish trending environment supported by the RSI above 50 and the Elliott wave cycle. The futures have closed the day at USD 132.40.

Copper

Copper declined as traders looked for direction amid volatility in broader financial markets in the wake of the collapse of Silicon Valley Bank. The metal fell as much as 1.3% in London, erasing gains made by the end of a whipsawing day of trading on Monday. Treasury yields steadied after epic declines and US equity futures rose as investors await inflation data later Tuesday that may upend bets that the Federal Reserve will soon end its campaign of interest-rate hikes in the wake of the collapse of SVB and two other lenders (Bloomberg). The futures are down on the day but remain rangebound, the technical is bearish with a neutral bias, but we maintain our view that we need to close outside of the USD 8,960 – USD 8,732 range for directional bias.

Capesize

A strong index today with price USD 2,401 higher at USD 17,500. We were a cautious bull yesterday as the futures had produced a bearish rejection candle. A brutal trading day today with the April contract initially trading to a high of USD 21,125, before closing the day around the USD 19,025 level. It is a bullish close with price up USD 475 on the day; however, we have seen upside rejection for a second day. The technical is holding in bull territory with key support at USD 17,396; however, we maintain a cautious view due to the upside rejection candles.

Panamax

Another bullish day on the index with price coming in USD 564 higher at USD 14,349. However, we have a technical today that is full of warning signs that is probably worth a read. Panamax Technical Report 14/03/23 <https://fisapp.com/wp-content/uploads/2023/03/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-14-03-23.pdf>

Supramax

The index is up USD 309 today at USD 13,889. We were a cautious bull yesterday due to the rejection candle; we did initially move higher but like the rest of the freight complex the April futures have come under pressure with price closing the day USD 300 lower at USD 16,700. Technically bullish and in trend, the futures are moving lower on the back of a negative divergence with the RSI with price on a bullish but 5th and final Elliott wave for this phase of the cycle. We still have a potential upside target as high as USD 19,612; however, key support is at USD 15,843, and looking vulnerable, this needs to hold otherwise the technical becomes neutral.

Oil

Oil continues to come under pressure but remains above the USD 78.34 low from yesterday with price currently trading at USD 78.97, down USD 1.80 on the day. The technical remains bearish with the breakout from the large symmetrical triangle looking like it is coming into play, as it looks like we will close below the trend support for a second day. Key supports levels to watch out for on the daily technical are USD 77.61 – USD 75.11 and USD 72.82.

Ed Hutton

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