

FIS European Close

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16700	17750	6.3%	Pmx 1 month forward	14550	14750	1.4%
Cape Q2 23	18850	19775	4.9%	Pmx Q2 23	15550	15725	1.1%
Cape Cal 24	15875	16075	1.3%	Pmx Cal 24	13075	13200	1.0%

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Smx 1 month forward	15200	15400	1.3%	Brent	75.07	76.38	1.7%
Smx Q2 23	15600	15700	0.6%	WTI	69.5	70.6	1.6%
Smx Cal 24	13225	13325	0.8%	Iron ore	123.35	120.2	-2.6%

Iron ore

Source FIS/Bloomberg

Iron ore dropped for a third day on signs that the steel market isn't picking up even as peak construction season approaches. The steel-making staple dropped as much as 3.6% in early trading on Wednesday to trade below \$120 a ton for the first time in six weeks. Investors are waiting for stronger signs of an improvement in steel demand and more restocking along the supply chain. Ten mills have lowered their prices of steel products, according to Mysteel, and spot prices for rebar used in construction have slumped since hitting a 9-month high last week. That threatens to put a further squeeze on profit margins at mills, in turn damping their appetite for buying raw materials (Bloomberg). Technically bearish on the morning report with upside moves considered as countertrend. We noted that the futures were over USD 6.00 below the 34-period EMA warning the futures looked a little overextended to the downside. The futures have found light buying support in the evening session with price closing the day USD 1.70 higher than this morning at USD 121.80.

Copper

Gold and copper gained before a highly anticipated Federal Reserve rate decision that will likely provide fresh direction to metals. Banking turmoil in the US saw bullion surge 6.5% last week on haven demand, but prices have eased since Monday. Copper has recovered this week after a government-arranged takeover of the Swiss bank Credit Suisse Group AG by UBS Group AG. "If gold's price lifts, when those of industrial metals fall – that's bearish," Tom Price, an analyst at Liberum Capital, wrote in a note. "High-profile bank failures – SVB and Credit Suisse – prompted this rare, but widely understood signal divergence." (Bloomberg). The technical was bearish with a neutral bias this morning; however, the MA on the RSI continued to suggest momentum was supported, leaving us cautious on downside moves. Having come under pressure in the Asian day session the futures have traded back to new highs, suggesting the USD 8,950 resistance is looking vulnerable.

Capesize

The index continues to come under pressure with price USD 1,073 lower at USD 14,528. The April futures have had a better day, having opened bid the futures traded down to and closed on the 55-period EMA at lunchtime; however, price has held resulting in the futures closing the day on their highs. This intraday H&S pattern is still in play with the futures needing to trade above the USD 19,250 level for it to fail. What we do like is the narrow range yesterday, with an overtaking candle today that has produced a higher close off the 8-period EMA on the daily chart. This is warning we could move higher tomorrow; we will still need to close above the high of the dominant bear candle (USD 19,250, right shoulder) for upside continuation. Bearing in mind this move lower looks to be a countertrend wave-4, market shorts will now need to be cautious.

Panamax

The index had a bad day today with price USD 465 lower at USD 13,118. However, the April futures have closed the day USD 200 higher at USD 14,750 with the daily RSI above 50 whilst the stochastic is oversold. We noted on the morning technical that the MA on the RSI was starting to flatten implying sell side momentum could be slowing. With daily momentum potentially about to turn bullish, we could be readying for a move higher. A technical today. Panamax Technical Report 22/03/23 <https://fisapp.com/wp-content/uploads/2023/03/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-22-03-23.pdf>

Supramax

I think it is fair to say that the Supramax index does not go down without a fight. Momentum continues to slow but price is another USD 21 higher at USD 14,703 today. The April futures are in a countertrend corrective wave 4 with price continuing to hold above the USD 14,900 support. Like the Panamax price has closed the day USD 200 higher at USD 15,400, the difference being the Panamax is holding on a bad index. We remain cautious on downside moves as we have a 3-wave pattern lower whilst the technical is bullish, albeit with a neutral bias.

Oil

We think this upside moves is countertrend an part of a larger bearish Elliott wave cycle. However, we noted this morning that with the MA on the RSI moving higher momentum was currently supported, leaving resistance levels vulnerable. The futures have moved higher with price trading above the USD 75.92 fractal resistance, meaning the intraday technical now has a bullish bias. Key resistance on the daily technical is at USD 81.09, leaving us room for a bit of hefty of slippage over the FED interest rate announcement. Intraday momentum is still supported, but not sure how relevant the technical will be for the next few hours.

Ed Hutton

Written by **Ed Hutton**, FIS Senior Technical Research Analyst

EdwardH@freightinvestor.com

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