



# 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	18000	21925	21.8%	Pmx 1 month forward	15450	17000	10.0%
Cape Q2 23	21275	20700	-2.7%	Pmx Q2 23	16400	16550	0.9%
Cape Cal 24	16375	16525	0.9%	Pmx Cal 24	13375	13525	1.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14225	15825	11.2%	Brent	79.74	84.69	6.2%
Smx Q2 23	15450	15600	1.0%	WTI	75.7	80.32	6.1%
Smx Cal 24	13525	13500	-0.2%	Iron ore	125.2	121.3	-3.1%

Iron Ore

Source FIS/Bloomberg

Iron ore dropped on disappointment over Chinese demand at the start of the traditional construction season, and amid prospects for a seasonal pickup in shipments to the country. The steelmaking raw material sank more than 4% on Monday to \$120.25 a ton in Singapore. Prices for construction steel and for coils used in industry are falling across most cities polled by researcher Mysteel in a slow market. Steel futures in Shanghai fell to the lowest level in more than six weeks (Bloomberg). Having rejected the upside on Friday evening the futures gapped lower on a stronger USD after the OPEC cut, the downside move is supported by a weakening MA on the RSI, suggesting the USD 117.95 support is now vulnerable.

## Copper

Spot copper is trading at the biggest premium to the benchmark future in almost five months, a sign the market is tightening as stockpiles fall. Cash contracts traded \$21-a-ton above three-month futures Monday, the biggest gap since Nov. 7. It's a market structure known as backwardation that typically signals scarcity of immediately available metal. Copper edged lower Monday, having largely traded sideways since early January as investors wait for signs that demand from top consumer China is rebounding and assess the impact of banking turmoil in the US. Mines in top producer Chile are struggling to maintain output, with state-owned behemoth Codelco flagging lower production this year (Bloomberg). The base sector came under pressure on the open due to the stronger USD; however, having found support on the European open the futures have remained largely rangebound for the session. Price is coming under pressure into the close with the RSI rejecting its MA. Technically we are bullish but with a neutral bias, the move lower on Friday would suggest support levels are looking vulnerable.

## Capesize

The index is USD 484 higher today at USD 14,290. The futures are now on a bullish Elliott wave 5 due to the move higher on the back of the Roll into May. For more information on the technical please click on the link. Capesize Technical Report 03/04/23 <https://fisapp.com/wp-content/uploads/2023/04/FIS-CAPESIZE-4-PAGE-TECHNICAL-REPORT-03-04-23.pdf>

## Panamax

The index is bullish again today with price USD 254 higher at USD 13,636. The gap higher in the May contract on the futures roll means we have opened above and held above the USD 16,600 fractal resistance. From a technical perspective we are now bullish on the intraday with the futures looking like we are potentially on a bullish impulse Elliott wave 5. This would suggest the USD 18,375 fractal high is now vulnerable. Key support is at USD 15,648, downside moves that hold above this level will leave the technical vulnerable to further tests to the upside, below it we will have a neutral bias.

## Supramax

The index is weaker again today, but we are seeing a significant slowdown, as price is only USD 121 lower at USD 13,054. Like the rest of the freight complex we have gapped higher on the Roll into the May contract with the futures trading above and holding above the USD 15,800 fractal resistance. The new high means the intraday technical is now bullish and like the Panamax, potentially in the early stages of a bullish impulse Elliott wave 5. Key support is unchanged from the morning report at USD 14,778, the futures are bullish above this level and neutral below.

## Oil

Citigroup Inc.'s Ed Morse, the global head of commodities research, said the oil market would need a lot more uncertainty over supplies before prices could reach \$100 a barrel. "There is a scenario for \$100 a barrel oil. But I don't think we're anywhere near that yet," Morse said in an interview on Bloomberg Television. His comments come as Sunday's surprise OPEC+ production cuts prompted some analysts to revive calls for \$100 oil. Goldman Sachs Group Inc. raised its forecast for Brent crude in 2024 to \$100 a barrel from \$97 after the supply cut and amid positive momentum for global demand. Brent rallied more than 8% on Monday to as high as \$86.44 (Bloomberg). Due to the production cut this upside move looks and smells like a bullish impulse move on the intraday; however, the upside move on the open to USD 86.44 is below the daily fractal resistance at USD 86.75. If this level is broken it is the end of the bearish Elliott wave cycle, the intraday technical would suggest we are vulnerable to another move higher, but until we trade above USD 86.75 the daily technical is bearish with a neutral bias. If we break it, then GS are likely to be right, if it holds, put your money on Citi. Me, I don't know right now, last time I went against the wave cycle it proved me wrong, so I am just going to be neutral until there is a bit of clarity.

## Ed Hutton

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

EdwardH@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](https://www.freightinvestorservices.com)