

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	21925	20925	-4.6%	Pmx 1 month forward	17275	16750	-3.0%
Cape Q2 23	20975	20075	-4.3%	Pmx Q2 23	16875	16425	-2.7%
Cape Cal 24	16625	16550	-0.5%	Pmx Cal 24	13400	13375	-0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15525	15500	-0.2%	Brent	84.99	85.08	0.1%
Smx Q2 23	15375	15250	-0.8%	WTI	80.61	80.67	0.1%
Smx Cal 24	13480	13400	-0.6%	Iron ore	117.85	117.51	-0.3%

Iron Ore

Source FIS/Bloomberg

Iron ore is on track to end the trading week more than 6% lower, hit by increased regulatory scrutiny from biggest consumer China and concerns economic slowdowns in the US and Europe will damage global demand. The steelmaking raw material is now trading below \$120 and fell again on Thursday. The decline has come even as China enters its construction-boom season that usually drives up demand for iron ore (Bloomberg). The futures continue to move lower, but price is in divergence with the RSI, not a buy signal it is warning we have the potential to see a momentum slowdown and will need to be monitored. A cautious bear at this point.

Copper

Copper rose with other metals after data showed China's services activity accelerated in March, bolstering hopes for an improvement in the economy. The Caixin China services purchasing managers' index rose to its highest since November 2020, beating expectations. While services aren't as important as manufacturing and construction for metals demand, the reading suggests business and household confidence is healing (Bloomberg). We noted on the morning report that the futures were trading in the Fibonacci resistance zone below the area of consolidation, making this an area of interest to market sellers, warning we remained vulnerable to a test to the downside. The resistance level has held with the futures moving lower this afternoon, we maintain our view that support levels are vulnerable.

Capesize

The index continues to move higher with price up another USD 695 today at USD 16,928. The May contract continues to correct into a rising index with price above key support levels at this point. The RSI is now at USD 58 with the stochastic in oversold territory, momentum is warning that the futures are vulnerable to a move higher, providing the RSI can hold above 50. If we see another bullish index on Tuesday, we could see some buyside support in the futures.

Panamax

The index is another USD 347 higher today at USD 15,325, technically bullish we still have a minor divergence in play that needs to be monitored. Like the Capes the futures continue to correct into a rising index with the carry around USD 1,500. We remain above key support levels with the RSI above 50 whilst the stochastic is nearing oversold territory, suggesting momentum could soon be vulnerable to a test to the upside.

Supramax

The index is another USD 93 lower today. For more information on the technical please click on the link. Supramax Technical Report 06/04/23 <https://fisapp.com/wp-content/uploads/2023/04/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-06-04-23.pdf>

Oil

Oil headed for a third straight weekly gain after a surprise supply cut by OPEC+ and a drop in US inventories tightened the market outlook. Prices rallied the most this year on Monday, surging 6.3%, following the decision of the Organization of Petroleum Exporting Countries and its allies to slash more than 1 million barrels of daily output starting in May. Saudi Arabia has since hiked prices of all its oil sales to customers in Asia (Blomberg). Price is flat on the day and continues to consolidate in bull territory. Key resistance is at USD 86.75; however, if we move higher price will be in divergence with the RSI, suggesting caution on upside breakouts.

Happy Holidays

Ed Hutton

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

EdwardH@freightinvestor.com

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