FIS

European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	20325	20550	1.1%
Cape Q3 23	23375	23200	-0.7%
Cape Cal 24	16375	16375	0.0%

	Previous Close	Current Close	% Change
Pmx 1 month forward	15375	15200	-1.1%
Pmx Q3 23	16575	16575	0.0%
Pmx Cal 24	13400	13300	-0.7%

	Previous Close	Current Close	% Change
Smx 1 month forward	14825	14825	0.0%
Smx Q23 23	16250	16200	-0.3%
Smx Cal 24	13350	13375	0.2%

	Previous Close	Current Close	% Change
Brent	87.33	86.41	-1.1%
WTI	83.26	82.44	-1.0%
Iron ore	118.23	116.4	-1.5%

Source FIS/Bloomberg

Iron Ore

Iron ore extended its slide amid news China's government looks set to announce a 2023 steel output cap, as the country grapples with a slow post-pandemic recovery. The steel-making raw material sank more than 3% following news authorities are preparing to announce the curbs, which would ensure steel volumes don't exceed 2022 levels. China churned out 1.01 billion tons last year, which was less than in 2020 when Covid-19 first struck (Bloomberg). The May futures have traded to a new low, we had previously noted that this would suggest that we could be seeing a wave C extension; however, further analysis would suggest we are on a wave 5 of wave C, meaning we have a potential downside target using the William's approach at USD 112.50. A cautious bear as the futures are now in divergence with the RSI, not a buy signal it does warn we have the potential to see a momentum slowdown and will need to be monitored.

Copper

We were technically bearish with a neutral bias this morning; however, the MA on the RSI continued to suggest that momentum was supported. Price was entering an area of consolidation that formed in the second half of March with USD 8,935 being a key area of resistance, as this has been the most heavily traded area in the last 30 days. Upside moves that held above this level would suggest that the USD 9,092 fractal resistance could be tested and broken. The futures have traded to a high of USD 9,085! We remain bearish with a neutral bias, above USD 9,092 the technical is bullish.

Capesize

The index has snapped two days of losses today with price coming in USD 551 higher at USD 15,657. If we close above USD 15,947 tomorrow, then momentum based on price will be aligned to the buyside. The May futures found support on the open with price trading to a high of USD 21,000; however, a little profit taking before the index has resulted in the futures closing the day just USD 300 higher at USD 20,625. Technically we remain bullish having held above the 55-period EMA and the USD 18,401 level, supporting an upside move. The MA on the RSI is still moving lower, warning that momentum remains weak at this point; however, if we move down to the 1-hour technical we can see that momentum is starting to turn bullish, suggesting the higher timeframe could soon follow. Key resistance is at USD 21,742, if we reject this level then support levels could come back under pressure.

Panamax

Sell side momentum in the index has increased today with price another USD 588 lower at USD 14,388, momentum based on price is now aligned to the sell side. We noted on the weekly technical that support levels were looking vulnerbale, the futures did move lower with price trading to a low of USD 14,800 in the May contract before finding bid support this afternoon to close at USD 15,325. The intraday technical is bearish, but we remain above the key USD 14,200 support on the daily technical, only when this level is broken do we confirm that the futures are in a complex corrective wave 4 and not a bullish impulse wave 5. Technically bearish, a note of caution, as the 1-hour MA on the RSI is starting to flatten warning sell side momentum is slowing down.

Supramax

The index continues to come under pressure with price USD 143 lower today at USD 12,158. An uneventful day in the futures today with price closing unchanged on the day, implying indecision is creeping into the market. For more information on the technical please click on the link. Supramax Technical Report 13/04/23 https://fisapp.com/wp-content/uploads/2023/04/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-13-04-23.pdf

Oil

Oil prices are likely to see more heightened volatility with investors scaling back their risk exposure on recession fears. The surprise production cut from OPEC+ has provided some support for oil prices, but the rally has been lackluster so far, with Brent struggling to break the $90 level -- one not seen since November. This is because there's more to the story than demand -side factors. The outlook for oil has dampened recently as US and Chinese economic data suggested slower factory activity may impact demand for materials. China's factory sector has remained off pace and its post-reopening recovery has mainly been led by consumer spending. Meanwhile, the decline in the US's March ISM manufacturing gauge underscored concerns about economic growth (Bloomberg Markets Live). There is a valid point made here, the futures moved higher on the OPEC cut, then sideways for 6 days. The upside move yesterday means the bearish wave cycle is over, the futures are on a bullish Elliott wave 5 on the intraday technical with a potential upside target at USD 93.85 for this phase of the cycle. However, we are a cautious bull here as the futures are now in divergence with the RSI.

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