

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	20550	20125	-2.1%	Pmx 1 month forward	15200	15400	1.3%
Cape Q3 23	23200	23250	0.2%	Pmx Q3 23	16575	16675	0.6%
Cape Cal 24	16375	16350	-0.2%	Pmx Cal 24	13300	13300	0.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	14825	14800	-0.2%	Brent	86.09	86.5	0.5%
Smx Q23 23	16200	16350	0.9%	WTI	82.16	82.78	0.8%
Smx Cal 24	13375	13450	0.6%	Iron ore	116.4	116.52	0.1%

Iron Ore

Source FIS/Bloomberg

The key iron ore export hub of Port Hedland reopened after the biggest cyclone to hit Western Australia in at least a decade made landfall, with a major gold mine lashed by destructive winds as the storm moved inland. Port Hedland reopened at 11 a.m. local time Friday after an inspection of the channel and berths confirmed safe operations can resume, according to Pilbara Ports Authority. BHP Group and Fortescue Metals Group Ltd. export iron ore from the harbour, which was closed on Thursday (Bloomberg). To be fair, when it was initially announced that the harbour would be closed there was only a sentiment push higher which had no follow through. With operations running normally the futures have come under pressure. We did trade above the USD 118.00 level on the Asian open, but price rejected the EMA resistance band to sell lower for the rest of the session; we close the week with the May contract at USD 114.70, down USD 2.15 on the day. We remain a cautious bear with a downside target at USD 112.45 but continue to monitor the positive divergence in play on the intraday technical.

Copper

Copper and aluminium extended gains to head for a weekly advance, amid expectations for less aggressive interest rate hikes from the Federal Reserve and a continued increase in Chinese demand. Risk appetite returned Friday as stocks rose after weaker US producer prices fuelled anticipation that the Fed is nearing the end of its most aggressive rate-hike cycle in decades. The dollar declined for a fourth day, making commodities cheaper to other currency holders. Meanwhile, this week's weaker CPI data from China fuelled hopes for more stimulus, while a surge in new loans and an unexpected boost in exports underscored positive signs for the top metal-consuming economy. Still, the data added to indications that a seasonal demand pickup in the copper market is fading, with domestic fabricators cutting runs this month on slowing orders (Bloomberg). Sometimes the news is written around the move, but I do think that technical is suggesting there is optimism in the market. Whether there should be is a totally different conversation; however, rather than focus on the intraday technical I would suggest looking at a weekly chart. The market is supported and looks to be rolling over to the buy side, we probably need to see a little bit more to convince that we could break higher, but it is a space to watch. If you are old school chartist and looking at this on a line chart, you will be able to see an inverse head and shoulders pattern. Bullish.

Capesize

Having clipped higher yesterday the index is another USD 313 lower today at USD 15,344, meaning momentum based on price is still aligned to the sell side. Having moved higher yesterday we have had a tepid close to the week, with price USD 425 lower at USD 20,125. We gapped higher into May contract, before correcting over the last two weeks. If this is a bull market, and we move higher next week, then there is a real chance we could go on a little run. Copper is moving higher, Bitcoin is up 7.5% on the week, so the sentiment factor is there at least. Why bitcoin? The correlation might not be there, but the shape is!

Panamax

The index continues to weaken with price another USD 407 lower today at USD 13,981. Having entered bear territory on the May contract yesterday, we noted that the 1-hour MA had started to flatten suggesting caution as we could potentially see a momentum slowdown. No dramatic moves today but we are USD 200 higher going into the close at USD 15,400. Technically we are bullish with a neutral bias, it is now very unclear whether this is a bullish impulse wave 5 or about to become a complex corrective wave 4. What we can see is that sell side momentum on the 4-hour chart is slowing down, it is neutral on the daily technical and supported on the weekly. If we do move lower next week, we suggest caution as price and momentum are telling different stories here.

Supramax

Another bear day in the index today with price USD 99 lower at USD 12,059. Another uneventful day in the May futures with price USD 25.00 lower at USD 14,800. The futures are at an inflection point and await either a significant drop in the index or a turn higher. If we trade below USD 14,200 then the move is corrective, at this point we are bullish with a neutral bias, meaning we need to see more to the upside to convince we are ready to run.

Oil

We have a technical in oil today, it is explaining what is happening on the Elliott wave cycle. We know that the futures are bullish with the potential for further upside on the intraday. The recent wave cycle failure brings into question the whole bear cycle, but there is a chance due to the OPEC cut we have just lost a wave, which within the larger cycle would be a minor; however, the intraday move is 5 waves, so lots of confliction. Here is the link. FIS Technical – Brent June23 14/04/23 <https://fisapp.com/wp-content/uploads/2023/04/FIS-Oil-Technical-Report-14-04-23.pdf>

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