

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	19000	17650	-7.1%	Pmx 1 month forward	15150	15100	-0.3%
Cape Q3 23	22850	22225	-2.7%	Pmx Q3 23	16675	16450	-1.3%
Cape Cal 24	16350	16125	-1.4%	Pmx Cal 24	13400	13275	-0.9%

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Smx 1 month forward	15075	15350	1.8%	Brent	84.76	85.3	0.6%
Smx Q23 23	16275	16325	0.3%	WTI	80.83	81.33	0.6%
Smx Cal 24	13450	13475	0.2%	Iron ore	116.77	117.72	0.8%

Iron Ore

Source FIS/Bloomberg

The may futures continue to move higher with price trading at USD 118.50 post close, meaning the intraday technical is now bullish based on price. The RSI is above 50 with its MA continuing to imply momentum is supported, suggesting support levels should hold in the near-term if tested. Key support is now at USD 115.89, downside moves that hold at or above this level will leave the futures vulnerable to further tests to the upside, below this level the technical will have a neutral bias.

Copper

Having corrected yesterday, the futures have stabilized with price continuing to hold above the EMA support band and our key support at USD 8,919. The MA on the RSI would continue to suggest the buyside momentum is weak at this point; however, with the RSI recently making a new high, we maintain our view that the recent move lower is potentially countertrend. If we do see a move below USD 8,919 then the pullback will be considered as deep, meaning the technical although bullish will have more of a neutral bias. Likewise, a close on the 4-hour candle above USD 9,069.5 will indicate momentum based on price is starting to strengthen, warning upside resistance levels could come under pressure. Technically bullish, we need to see the futures hold above key support and the MA on the RSI starting to flatten, if we do, then the probability of an upside push will increase.

Capesize

Another bad index today with price USD 1,023 lower at USD 13,916. Having closed below the 55-period EMA on the intraday chart yesterday, the futures opened the day below the daily pivot point, resulting in price coming under strong selling pressure for the session, the lower timeframe positive divergence has failed. The May contract closed the day USD 1,350 lower at USD 17,650, meaning the technical although bullish now has a neutral bias. Having already moved lower on the back of a negative divergence whilst on an Elliott wave 5 (when we rolled into May), the deep pullback is now warning that the USD 16,225 fractal low is vulnerable. Tomorrows pivot point should be around the USD 18,108 level, suggesting we should open below this level in the morning, if we do then we could see further selling pressure on the open. However, if for some reason we open above and hold above this level, then it would imply caution, as the futures will be above today's balance point. The MA on the RSI would suggest that momentum remains weak at this point.

Panamax

The index continues to produce bearish numbers with price USD 280 lower today at USD 13,460. We have seen small movement in the futures today with the May contract USD 50 lower at USD 15,100, with price rejecting the 8-period EMA, warning that the futures could be about to rollover to the downside. Below USD 14,825 will create a positive divergence with the RSI on the 1-hour chart, not a buy signal it does warn that we have the potential to see a momentum slowdown and will need to be monitored. The depth of this pullback would suggest we are potentially still in a complex corrective phase, rather than a bullish impulse wave 5; however, confirmation only comes on a move below USD 14,200. Intraday Elliott wave analysis is suggesting that the USD 14,200 support could be vulnerable (based on it being a corrective wave 4 still), with a potential downside target at USD 13,704. It is important to note that below USD 14,200 the minimum requirement for phase/cycle completion will be achieved. We are bearish but have a note of caution due to the divergence ahead of us, from a technical perspective, although we look like we could weaken, the downside move could be limited, meaning the futures are not considered a technical sell at these levels.

Supramax

The index produced a positive number yesterday which has been followed by a more convincing move today. Price is USD 164 higher at USD 12,239, meaning momentum passed on price is aligned to the buy side; however, we are still only just crossing the short period average, suggesting we need to see another bull number tomorrow for confirmation. The May futures have responded with a small move higher, we have closed the day at USD 15,350 up USD 275. This technical is a little difficult to read as price appears to be rolling to the upside, suggesting the USD 16,075 resistance could be vulnerable; the question is, are we the lead indicator here, or is this upside move a countertrend wave B? In all honesty it is too early to tell, the MA on the RSI would suggest momentum is supported, but the carry against the index is USD 3,111 which is a concern. For the futures to run the index will need to see some strong move higher in the coming days.

Oil

We noted on the morning technical that the futures were in divergence with the RSI, not a buy signal it did need to be monitored. However, the MA on the RSI conflicted with the divergence as it suggested momentum remained weak, leading us to conclude that if we did move higher the move could fail to hold. Price is 30 cents higher on the day with the USD 83.50 support still looking vulnerable, if broken then the intraday technical becomes bearish.

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

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