



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	18700	19000	1.6%	Pmx 1 month forward	15950	15725	-1.4%
Cape Q3 23	23125	23500	1.6%	Pmx Q3 23	17050	16875	-1.0%
Cape Cal 24	16475	16575	0.6%	Pmx Cal 24	13350	13425	0.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	15900	15650	-1.6%	Brent	83.12	81.28	-2.2%
Smx Q23 23	16950	16850	-0.6%	WTI	79.16	77.44	-2.2%
Smx Cal 24	13550	13525	-0.2%	Iron ore	117.36	115.37	-1.7%

Iron ore

Source FIS/Bloomberg

Iron ore fell on waning demand from steel mills, while unchanged export guidance from top shipper Rio Tinto Group signaled supplies remain sufficient. Futures in Singapore slid for a second day as investors await a seasonal bounce in China due to the start of its usual peak construction period in the second quarter, which this year has yet to fully eventuate. Domestic mills are instead struggling to remain profitable. Some are curbing output and choosing to go into maintenance in regions including Tangshan and Zhejiang, according to researcher Mysteel. Recent fluctuations in steel prices, coupled with firm raw-material costs, have capped profits and spurred plants in Guizhou to halt production, it added (Bloomberg). The move lower in the Asian day session meant the futures had a neutral bias, whilst this evening the May futures have moved below the USD 114.45 fractal support, indicating we are now bearish. However, we have a negative divergence in play dating back to the 23/03, this is warning we have the potential to see a momentum slowdown, suggesting caution on downside moves at this point.

Copper

We noted in the morning report the bullish Gartley pattern, first mentioned here last night. This is a warning we could still see a move higher, despite the deep pullback and weak momentum. The futures initially traded to a low of USD 8,838 before moving higher, to close the day at USD 8,925. We are down on the day, but the pattern remains in play. Downside moves below USD 8,783 will mean the pattern has failed, which in theory would have bearish implications going forward.

Capesize

The index turned today with price USD 1,122 higher at USD 14,746. Momentum based on price is aligned to the buy-side, but we still need to clear the short period average for confirmation. Another up day in the May futures with price closing the day USD 800 higher at USD 19,500. We are now seeing the futures close above the 55-period EMA with the MA on the RSI starting to turn higher, suggesting momentum is starting to show signs of support. Price is at the base of the Fibonacci resistance zone with the key level to follow at USD 21,147, if rejected we remain vulnerable but if broken we target the USD 23,000 high. Bullish with a neutral bias, resistance is starting to look vulnerable.

Panamax

Up again today, the index is USD 184 higher at USD 13,758. In theory, momentum based on price is aligned to the buy-side, however, we will need to see another move higher for confirmation, as it is marginal at this point. Having gapped higher yesterday, we have consolidated today with the May contract closing USD 250 lower at USD 15,700. Momentum is supported, but intraday Elliott wave analysis would suggest that support levels remain vulnerable. We are conflicting a little here but maintain a bearish view; however, it is a cautious one.

Supramax

Up another USD 309 today in the index to USD 12,965. The technical is difficult to read at the moment, as the q3 and Cal 24 are not impulse moves, despite the Q3 move higher yesterday, potentially a wave 4 consolidation pattern could be forming in the Q3. For more information on the technical, please click on the link. Supramax Technical Report 20/04/23 <https://fisapp.com/wp-content/uploads/2023/04/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-20-04-23.pdf>

Oil

The futures have moved lower today with price trading to a low of USD 80.79. As noted last night, it looked like market sellers would try and close the gap created by the OPEC cut, meaning we had a downside target at USD 79.80. Going into the close the futures are trading a little higher at USD 81.27, meaning the futures are back above the 200 period MA on the intraday technical. We maintain a downside target at USD 79.80 at this point.

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