

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17925	18375	2.5%	Pmx 1 month forward	15125	14650	-3.1%
Cape Q3 23	22125	22125	0.0%	Pmx Q3 23	16400	16150	-1.5%
Cape Cal 24	16200	16250	0.3%	Pmx Cal 24	13125	13075	-0.4%
Smx 1 month forward	14875	14450	-2.9%	Brent	82.73	81.14	-1.9%
Smx Q23 23	16225	15975	-1.5%	WTI	78.76	77.29	-1.9%
Smx Cal 24	13300	13125	-1.3%	Iron ore	103.91	102.44	-1.4%

Iron ore

Source FIS/Bloomberg

We noted in the morning report that the current Elliott wave 3 looked to be extending; however, we were a cautious bear as the futures were in divergence with the RSI. The may futures came under further pressure this afternoon with price moving another USD 2.60 lower. If the intraday Elliott wave cycle is correct, then we have the potential to trade as low as USD 94.44 for this phase of the cycle. However, price is still in divergence, meaning we maintain a cautious view at this point, not a buy signal, the divergence does warn we could see a momentum slowdown.

Copper

Base metals fell, tracking iron ore prices, as a long-awaited recovery in Chinese demand continued to disappoint. Copper slumped to the lowest in over a month on Tuesday, while aluminum and zinc dropped by more than 1%. In focus are climbing steel inventories in China, which indicate the country's building season may be off to a slow start. Traders have been waiting for months for a sharp rebound in China's metals consumption after a year of coronavirus lockdowns, but so far that hasn't materialized. While the country's consumer-driven recovery has put it on track to meet its overall growth goal, avoiding the need for more stimulus, industrial output remains below pre-pandemic levels and property investment continues to contract (Bloomberg). With the Gartley pattern failing, taking the technical into bearish territory, we had a near term downside target at USD 8,675 with further support at USD 8,583. The futures followed copper lower with price breaking both support levels. We remain bearish, the RSI continues to make new lows, suggesting upside moves should be considered as counter-trend at this point.

Capesize

A slowing index yesterday warned we could be about to turn to the downside, resulting in price moving USD 55 lower today to USD 16,471; however, momentum based on price remains aligned to the buy side above USD 15,437. We noted in the technical report yesterday that USD 17,400 was a key support level, making it a dangerous area to go short, as it is the most heavily traded level based on price in the last 12 months. The futures held support yesterday with price moving higher today, the May contract closed the day USD 350 higher at USD 18,275, meaning the technical remains bullish with a neutral bias. A flat MA on the RSI suggests neutrality, but also warns that sell side momentum is potentially slowing down. We are below the 55-period average which supports a seller's argument; however, we remain cautious on downside moves whilst price is above the USD 17,400 level, as we have identified this as a key support. If we close below and hold below this level, then it will warn that the USD 16,225 fractal support could come under pressure.

Panamax

The index is another USD 185 lower today at USD 13,665, momentum based on price is now aligned to the sell side. The May futures continue to come under pressure with price USD 525 lower at USD 14,600. For more information on the technical, please click on the link. Panamax Technical Report 25/04/23 <https://fisapp.com/wp-content/uploads/2023/04/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-25-04-23.pdf>

Supramax

We are now seeing a slowdown in the index with price only USD 42 higher today at USD 13,378. This has had a negative effect on the futures which have been looking to close the carry gap in recent days. However, if the index stops moving higher, then the onus is on the futures to move lower, this has resulted in the May contract closing USD 425 lower at USD 14,450 today. We noted on the morning report that the MA on the RSI suggested that the USD 14,550 fractal support could be about to be broken, the move lower this afternoon means that price is below USD 14,550, the technical is now bearish. We do need to trade below USD 14,200 to confirm that the technical is in a more complex corrective wave 4; however, the support break this afternoon would imply that the probability has now increased.

Oil

Oil fell as dimming economic confidence spooked Wall Street, prompting losses across equities and commodities. West Texas Intermediate traded near \$76 a barrel after rallying about 2% over the previous two sessions. Oil was swayed by broader markets in another low-volume session as traders await data later this week from the Federal Reserve's preferred wage index. Consumer confidence in the US for April dipped to its lowest since July, accelerating losses on Wall Street Tuesday. "The crude market is in wait-and-see mode with trading dominated by short term strategies as opposed to real investors," said Rebecca Babin, a senior energy trader at CIBC Private Wealth. "Longer-term investors aren't going to make real bets until there is clarity around China's recovery and US recession." Earnings are also likely pulling the focus to other asset classes, she added (Bloomberg). We noted on the morning report that the MA on the RSI suggested that momentum was supported; however, we had conflicting signals here as the RSI was neutral whilst the stochastic was in overbought territory. If the RSI moved below 50 then momentum would suggest we could be vulnerable to a test to the downside; likewise, if we moved above and held above 50 then the stochastic would be considered as less relevant. Intraday Elliott wave analysis continued to suggest the current upside move looked to be countertrend. We also noted that the 1-hour technical has a negative divergence in play, suggesting caution on the upside move. The futures have sold back to new lows (+USD 2.00 lower); however, we should note that we now have a positive divergence in play on the 4-hour candle, suggesting caution on downside moves.

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