



# European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	18375	19000	3.4%
Cape Q3 23	22125	22500	1.7%
Cape Cal 24	16250	16250	0.0%

	Previous Close	Current Close	% Change
Pmx 1 month forward	14650	14600	-0.3%
Pmx Q3 23	16150	16225	0.5%
Pmx Cal 24	13075	13050	-0.2%

	Previous Close	Current Close	% Change
Smx 1 month forward	14450	14025	-2.9%
Smx Q23 23	15975	15775	-1.3%
Smx Cal 24	13125	13100	-0.2%

	Previous Close	Current Close	% Change
Brent	80.77	79.67	-1.4%
WTI	77.07	76.26	-1.1%
Iron ore	102.44	105.18	2.7%

## Iron Ore

Source FIS/Bloomberg

Iron ore rose after a brief dip below \$100 a ton as edgy market participants weighed uncertainties over the outlook for demand. The steelmaking material jumped as much as 3.2% after a slump to double-digit levels in early trading, the first time that's happened since early December. Prices have collapsed this month after a weaker-than-expected start to the building season in April. The China Iron & Steel Association spooked investors on Tuesday with a warning of tough market conditions through the rest of this year amid a patchy economic recovery. But other steel-watchers see demand improving in the rest of 2023 as the economy's recovery gathers pace (Bloomberg). We were cautious on the downside move due to the mean reversion gap and the positive divergence with the RSI yesterday. The May contract has moved over USD 5.00 from their lows; however, if our intraday Elliott wave cycle is correct, then this upside move has the potential to be countertrend.

## Copper

Having sold off heavily yesterday, we noted on the morning report that the downside moves was more than 161.8% the length of the previous wave, suggesting the move was bearish impulse. This implied the upside move on the Asian open should be considered as countertrend. Dead cats don't bounce, the upside move this morning is not considered as deep enough, meaning we maintain our view that upside moves should still be considered as countertrend. Downside moves below USD 8,505.5 will create a positive divergence, warning we have the potential to see a momentum slowdown.

## Capesize

A good index today with price USD 948 higher at USD 17,419. The May futures opened up with bid support with the intraday technical closing above the 55-period EMA, if we can hold above this level it will support a buyers argument. The MA on the RSI is flat (ish) meaning momentum is still neutral at this point; however, the RSI is above 50, if it can hold above 50 then then its MA should start to turn higher. Upside moves above USD 19,625 will warn that the USD 21,147 resistance could be tested. Key support levels to follow are at USD 18,100 and USD 17,400.

## Panamax

The index is another USD 240 lower today at USD 13,425. We were a cautious bear on the morning technical due to the futures remaining in divergence with the RSI. The futures are lower by 50 bucks on the day but price has remained supported, we closed the day in the May contract at USD 14,600. Technically bearish, we have a potential downside target at USD 14,167 in the near-term, we maintain a cautious view at this point.

## Supramax

Another down day in the index today with price USD 148 lower at USD 13,230. As noted in the morning report yesterday, the break below the USD 14,550 level warned that the USD 14,200 support should in theory be broken. The May contract moved lower this morning with the technical confirming that we are in a corrective Elliott wave 4. Intraday wave analysis would suggest that upside moves should now be considered as countertrend at this point, the MA on the RSI would also suggest that sell side momentum remains weak.

## Oil

It's starting to look like OPEC+ was right again. Saudi Arabia and its partners provoked a backlash from the White House and beyond earlier this month when they shocked global oil markets with new output reductions. But with Brent crude dropping below \$80 a barrel on Wednesday — wiping out the price gains since the announcement — the group's contention that the cuts were needed to prevent an oversupply is gaining justification. "Riyadh would likely insist that prices would be materially lower if they had not acted earlier this month," said Helima Croft, head of commodity strategy at RBC Capital Markets LLC (Bloomberg). The downside move in the futures today means that the bullish gap has now been closed. We were cautious on the move lower this morning due to the positive divergence that was in play; however, the intraday Elliott wave cycle did suggest that we had a potential downside target at USD 78.70. The futures traded to a low of USD 78.96 before producing a bullish rejection candle on the intraday 4-hour chart. We are coming back under pressure with the futures trading at USD 79.80, if we trade below USD 78.96 then it would suggest that the USD 78.70 and USD 77.52 support levels could come under pressure; however, we remain mindful of the divergence that is in play.

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