

Panamax

Another bear index today with price USD 232 lower at USD 12,294. The June futures came under pressure today with price moving USD 800 lower to close the day at USD 13,500. We were cautious on downside moves due to lower timeframe divergences this morning. This move lower would suggest we are potentially seeing some form of wave extension, as the divergences are starting to fail. In a way this extension does make sense, if we look back at the technical report yesterday, we noted the front cycle was out of line with the Q3 and Cal 24, which implied that upside moves should be considered as countertrend. The divergence failures are suggesting that this could now be the case in the rolling front month.

Supramax

The index is another USD 198 lower today at USD 12,154. We have technical today, it is worth noting that going into the close we are on a bearish impulse wave 5, suggesting we target USD 13,020. However, like the pmx, the q3 and Cal 24 would suggest that upside moves should be considered as countertrend, making me wonder if we will see a wave 5 extension on the June Supramax, like we are seeing in the Panamax? For more information on the technical, please click on the link. Supramax Technical Report 04/05/23 <https://fisapp.com/wp-content/uploads/2023/05/FIS-SUPRAMAX-4-PAGE-TECHNICAL-REPORT-04-05-23.pdf>

Oil

Crude markets have suffered a disastrous few weeks, dragged down by alarm over the wider economy. But real oil demand still looks strong enough to foster a rebound in prices. International benchmark Brent almost dropped to \$70 a barrel on Thursday after losing 17% since mid-April on fears of a US recession and signs of a disappointing recovery in China. Crude in New York plunged at the open to take the decline over the past three weeks to \$20, before recovering. Nonetheless, there are signs the underlying oil market is resilient. China is sucking in a flood of cargoes as domestic travel rebounds, and traders expect the country's crude purchases to remain high in the next few months. Inventories are tightening around the world and should deplete even faster as Saudi Arabia and its OPEC+ allies implement new supply cutbacks (Bloomberg). The futures have based today and do have the potential to move higher in the short-term; however, are wave analysis would suggest that upside moves should still be considered as countertrend at this point.

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