MISSIONS | OIL | FERROUS | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT:

FIS

European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	18250	18150	-0.5%	Pmx 1 month forward	11325	11100	-2.0%
Cape Q3 23	18875	18725	-0.8%	Pmx Q3 23	12775	12700	-0.6%
Cape Cal 24	14750	14750	0.0%	Pmx Cal 24	11750	11850	0.9%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	12225	12200	-0.2%	Brent	74.75	76.64	2.5%
Smx Q23 23	13100	13200	0.8%	WTI	70.53	72.59	2.9%
Smx Cal 24	11975	12025	0.4%	Iron ore	104.85	108.1	3.1%

Iron Ore Source FIS/Bloomberg

Iron ore rose as China's new-home prices extended gains for a third month, providing some support for steel consumption after a weak start to the building season. Singapore futures erased losses earlier in the session to add as much as 2.9% after data showed China's home prices rose 0.3% in April from the previous month, including gains in the nation's major cities. The increase, while slower than March's expansion, is a welcome sign as property accounts for more than a third of the country's steel consumption. A frozen market last year sent prices of construction-led steel tumbling, squeezing margins at mills which responded by curbing output. Optimism was further fueled after China's planning agency, the National Development and Reform Commission, pledged to keep boosting loans to the manufacturing sector (Bloomberg). Having moved higher in the Asian day session we have seen price hold around the 100% Fibonacci extension level of USD 108.40. As noted in the morning report, the futures are at resistance with the stochastic in divergence, with the market needing to convince that the move is bullish impulse. At this point the technical suggests we have potentially seen the bear phase complete; however, we remain cautious until the move is confirmed by either price or our wave oscillators, as this cycle is still subjective.

Copper

Copper jumped the most since January on expectations of a breakthrough in the US debt-ceiling impasse and a demand rebound in China. The metal rose as much as 2.7% in London on Wednesday after the White House and congressional leaders narrowed the group of negotiators seeking to avoid an unprecedented US default. Meanwhile, Chinese government data showed domestic home prices rose in April, a sign of health in the beleaguered sector (Bloomberg). We were a cautious bear this morning as the new low yesterday had created a positive divergence with the RSI, warning we could see a momentum slowdown. The upside move means the futures are bearish but with a neutral bias, a move above USD 8,346.5 will mean it is bullish.

Capesize

The June futures opened with light bid support with price trading up to USD 18,825 early on; however, as noted on the morning technical report the lower timeframe wave analysis suggested that the USD 17,550 support remained vulnerable. A weak index with price USD 922 lower at USD 18,111 resulted in bids fading with the June contract closing the day USD 125 lower at USD 18,125. Technically the USD 17,550 support remains vulnerable, if we open below USD 18,283, we could see it come under pressure early on. Likewise, if we open above and hold above the USD 18,283 level (daily pivot) we could look to test the USD 18,825 high from today.



Panamax

Another bad index today with price USD 485 lower at USD 10,007. The June futures opened lower but found light bid support during the day. We think that an upside moves from here is likely to be countertrend, for more information on the technical please click on the link. Panamax Technical Report 17/05/23 https://fisapp.com/wp-content/uploads/2023/05/FIS-PANAMAX-4-PAGE-TECHNICAL-REPORT-17-05-23.pdf

Supramax

Technically little has changed, the futures are moving higher in what looks to be a countertrend move. However, we are seeing an index slowdown (USD 8.00 lower today at USD 11,993) with the carry over the futures at just USD 207, suggesting resistance levels could be vulnerable if the index does turn higher. On paper, based on the wave cycle a move higher should be against the trend; however, having seen and expanding flat in the Capesize (unusual), and what is now looking like wave failure in the Q3 Panamax (again, unusual), we suggest caution in case the index gains any serious momentum.

Oil

Oil moved lower yesterday an on the open with price trading back below the 8-21 period EMA's; however, we remained above USD 73.37 which we highlighted as the key support to follow. Having failed to move lower after the E.U open, we have seen the futures catch a bid in the US session, with price trading USD 1.77 higher at USD 76.68 into the close. Technically we have the futures bearish with a neutral bias, our wave analysis suggests that upside moves look to be countertrend. However, the MA on the RSI would suggest momentum is support, whilst the USD 73.37 support remains in place, suggesting resistance levels could be vulnerbale in the near-term.

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