

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16175	15875	-1.9%	Pmx 1 month forward	9800	9825	0.3%
Cape Q3 23	17375	17125	-1.4%	Pmx Q3 23	11650	11500	-1.3%
Cape Cal 24	14100	14150	0.4%	Pmx Cal 24	10900	10825	-0.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10475	10525	0.5%	Brent	78.36	75.8	-3.3%
Smx Q23 23	11650	11500	-1.3%	WTI	74.34	71.71	-3.5%
Smx Cal 24	11050	10887.5	-1.5%	Iron ore	95.46	95.67	0.2%

Iron ore

Source FIS/Bloomberg

Big conferences often crystalize the prevailing sentiment in markets. So it's probably no coincidence that copper has dived below \$8,000 a ton and iron ore is trading south of \$100 after metals luminaries gathered in Hong Kong and Singapore to chew over the parlous state of global demand and China's recovery. It could be a grueling few months for raw materials that rely on the old economy. China's building spree that usually takes place in the second quarter has underwhelmed and will soon be replaced by the doldrums of summer. Its manufacturing sector is already there. The world economy is flirting with recession. Rising interest rates and a stronger dollar hover like the proverbial sword over commodities priced in the greenback (Bloomberg). The futures have traded below the USD 94.00 level briefly, suggesting that there is a larger corrective trend in play. We remain technically bearish with upside moves considered as countertrend at this point.

Copper

Copper faces "quite big" downward pressure in near term after prices fell through technical levels recently, Zhou Feng, deputy director of China Minmetals Corp.'s metals and mining economic research institute, said at industry conference in Shanghai. The global copper market will swing to a small surplus this year — from a tight balance, Zhou said at Shanghai Derivatives Market Forum. However, the Chinese economy will recover as property activity picks up later this year, supporting copper demand: Zhou. Germany is among countries that will see weaker demand this year due to the after-effects of Russia's invasion of Ukraine on manufacturing. Base-metals demand looks bright over long term, driven by renewable energy (Bloomberg). Technically bearish in the morning report, we noted that there was a positive divergence in play that needed to be monitored. However, a lower timeframe Elliott wave cycle is warning that intraday upside moves should be considered as countertrend, the futures have moved higher with price closing the day up 60 bucks at USD 7,960. We maintain our view that upside moves should be considered as countertrend.

Capesize

Another bad day in the index today with price USD 1,433 lower at USD 14,577. The futures started the day badly with price trading to a low of USD 14,875, before catching a bid in the afternoon to close USD 1,000 of the low, meaning we have a rejection candle in play. However, our intraday Elliott wave analysis on a very low timeframe is warning that this upside moves is potentially countertrend, making USD 17,762 the key resistance to follow. The futures are bearish below this level and neutral above.

Panamax

The index continues to move lower with price down USD 381 at USD 8,936. The June contract has followed the same pattern as the Capesize, we opened lower but have closed flat on the day, warning we could see an intraday test to the upside. As noted on the morning report, the Elliott wave extended to the downside, meaning upside moves should now be considered as countertrend.

Supramax

We continue to see the index come under pressure with price USD 369 lower today at USD 10,782. The futures have found bid support alongside the rest of the complex with price closing USD 50 higher at USD 10,525. Technically bearish, we could potentially be about to enter a countertrend corrective Elliott wave 4, suggesting caution on upside moves.

Oil

WTI is taking a sharp leg lower, dropping 4% to the lowest in a more than a week. The move is an apparent challenge to Saudi Energy Minister, Prince Abdulaziz bin Salman, who warned bears they might be in for pain. Russia is pushing back against that idea. There's little over a week until OPEC+ meets, as Alex Longley pointed out earlier. And short-sellers are likely to balk at taking the move too far, in case they really are left "ouching" as the minister warned (Bloomberg). We have been warning that this move looked to be countertrend as we believed there is further downside within the cycle. The divergence yesterday (and this morning) on the 1-hour technical did hint that we could see a momentum slowdown. As noted on the Bloomberg comment, the futures have come under pressure with price USD 2.60 lower at USD 75.76. The deep pullback means that the USD 74.55 fractal support is now vulnerable.

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