

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	26750	25075	-6.3%	Pmx 1 month forward	16525	15850	-4.1%
Cape Q2 24	26125	23950	-8.3%	Pmx Q2 24	15975	15450	-3.3%
Cape Cal 25	20325	19675	-3.2%	Pmx Cal 25	13300	13100	-1.5%

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Smx 1 month forward	14525	14375	-1.0%	Brent	89.56	88.96	-0.7%
Smx Q2 24	14325	14300	-0.2%	WTI	85.65	84.9	-0.9%
Smx Cal 25	12775	12700	-0.6%	Iron ore	98.55	98	-0.6%

Iron Ore

Source FIS/Bloomberg

Iron ore fell further toward a 10-month low on increasing shipments from top exporter Australia and faltering steel demand in China, the world's largest consumer. Shipments of the steelmaking material from Australia in the week to March 22 were 30% higher than two weeks earlier. Meanwhile, prices in China for steel rebar — rods used in construction — extended their slump to their lowest level since August, a sign the years-long property crisis is far from over (Bloomberg). With China on holiday today we have seen very little price movement since this morning. We have closed the day in the April futures 60 cents higher at USD 98.35.

Copper

Copper rallied to the highest in 14 months as investors flock to the bellwether industrial metal in response to rising supply risks and hopes for a global recovery in demand. Prices climbed as much 1.5% on Thursday after dovish comments from Federal Reserve Chair Jerome Powell added impetus to a rally that began in early February on fast-mounting risks to supply (Bloomberg). Like iron ore, we have seen little price movement since this morning due to China being on holiday. The futures remain bullish but in divergence with the RSI warning we could see a momentum slowdown. However, lower timeframe Elliott wave analysis is suggesting that intraday moves lower have the potential to be countertrend in the near-term.

Capesize

The index continues to weaken with price USD 693 lower at USD 19,522 today. Bearish with upside moves considered as countertrend this morning, the MA on the RSI was implying momentum was supported (price and momentum were conflicting). We noted that if the RSI started closing below its average it would warn that support levels could come under pressure, likewise, a close below the weekly pivot level (USD 26,041) would imply sell side pressure was increasing. We have seen a small move lower since the morning report with price closing USD 1,700 lower on the day at USD 25,050 (USD 825 lower than in the morning report). The RSI has breached its average but only by a marginal amount, meaning price and momentum continue to conflict. However, we are trading below the weekly pivot going into the close. Support levels are vulnerable, but still need to see the RSI move clear from its average.

Panamax

Nothing has changed since last week; the index is still correcting with price USD 346 lower at USD 14,265. The May futures have seen a small move lower since this morning to close down USD 675 at USD 15,850. The futures have started to consolidate for the last 3 days; however, we note that upside moves are rejecting the weekly pivot level at USD 16,641, implying there remains sell side pressure in the market at this point. We continue to maintain our technical view that upside moves look like they could be countertrend; however, if we close above the weekly pivot level, and price and momentum become aligned to the buy side, then we could see resistance levels come under pressure in the near-term.

Supramax

The index is USD 121 lower today at USD 14,375. The futures remain technically bearish, but price is now consolidating around a flat 200-period MA (USD 14,293), meaning there is more of a neutral bias in the market. In theory, upside moves still look like they could be countertrend; however, below USD 13,775 the futures will be divergent with the RSI, suggesting caution on downside breakouts.

Oil

We were bullish but in divergence this morning with downside moves considered as countertrend based on lower timeframe Elliott wave analysis. The futures are 35 cents lower at USD 88.92 since this morning. We maintain a cautious view on upside moves; however, our lower timeframe Elliott wave analysis is suggesting that we should have one more intraday test to the upside within this phase of the cycle.

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