



European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	29625	30250	2.1%	Pmx 1 month forward	17100	17275	1.0%
Cape Q3 24	26925	27425	1.9%	Pmx Q3 24	16700	16700	0.0%
Cape Cal 25	21300	21500	0.9%	Pmx Cal 25	13825	13850	0.2%
	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	16125	16350	1.4%	Brent	84.1	82.85	-1.5%
Smx Q3 24	15375	15475	0.7%	WTI	79.57	78.28	-1.6%
Smx Cal 25	13100	13150	0.4%	Iron ore	116.2	115.8	-0.3%

Iron Ore

The June futures continue to consolidate below the 34-55 period EMA's with the RSI below 50, The MA on the RSI continues to warn of momentum weakness, with price seeing a small move lower in the Asian evening session, to close at USD 115.40. The futures are below the weekly pivot level (USD 116.68), meaning momentum based on price remains weak. We maintain a cautious view on upside moves at this point, due to the pullback being on the back of a negative divergence.

Source FIS/Bloomberg

Copper

The futures have moved higher today with price breaching the upper trend resistance of the symmetrical triangle that we highlighted in the morning report; however, the move has failed to hold, resulting in an intraday Doji (indecision candle), followed by a move lower. The futures remain in a neutral pattern, but we are seeing the MA on the RSI start to move higher, warning of light momentum support. As noted this morning, if we trade to new highs from here, it would suggest we are seeing a wave extension within the existing trend, meaning downside moves will still be considered as countertrend.

Capesize

We moved another USD 937 lower in the index today putting price at USD 27,301. We had a note of caution in the June contract on the open, as the futures were trading just above the old USD 29,325 – USD 28,750 resistance, which we noted should in theory act as a support. We traded to a low of USD 29,500 before finding light bid support, to close the day USD 600 higher at USD 30,250. The recent high on the RSI implies that corrective move lower looks like it could be countertrend, we are holding above support levels. However, we do have a note of caution here, as there is a weekly rejection candle in play. Next week's pivot level looks like it will be at USD 31,113, meaning we will need to see bid support in the market early on next week, to avoid a higher timeframe sell off.

Panamax

We continue to see a slowdown in the index with price only USD 50 higher at USD 16,894 today. We noted this morning that the technical was conflicting as the RSI was above 50 with the stochastic oversold, alongside the RSI making new highs. Both signals warned that we could see a move higher; however, we had rejected the USD 18,687 resistance whilst we have a bearish engulfing candle in play, warning that there is selling resistance at higher levels. The June contract saw another day of limited price movement with the futures opening lower before finding light bid support to close USD 175 higher on the day at USD 17,275. We have a small bearish rejection candle on the weekly chart, known as a gravestone Doji, this is warning of uncertainty in the market, meaning we could move lower next week. The futures will need to close on the weekly timeframe below USD 16,975 for confirmation that a bearish pattern in play. The sell side argument is increasing on this technical, meaning we are becoming a little more cautious on upside moves. Intraday price momentum does suggest we are going higher, meaning we are going to need to see bid support early next week to avoid a sell-off.

Supramax

The index turned today with price USD 37 lower at USD 16,333 today. The June futures opened lower but found light bid support, meaning we are holding above the USD 15,901 support, if this level is broken, then the probability of the futures trading to a new high will start to decrease. The futures have closed the day USD 225 higher at USD 16,350, in terms of the weekly candle, this looks to be the best of a bad bunch. We do have upside rejection, with next week's pivot level looking like it will be at 16,425, meaning it will be in play on Mondays open. However, at least the candle close is higher on the week. We remain a cautious bull, if the Capes and Panamax fail to hold, then the Supramax is likely to go lower with it.

Oil

OPEC+ producers shouldn't take actions that would push oil prices up and thus boost inflation when they meet next to decide on their oil production cuts, said Fatih Birol, executive director of the International Energy Agency. "It's up to them to decide what they're going to do, but at this very fragile situation of the global economy, the least that the countries, especially oil-importing developing countries would need is high oil prices, which in turn would push the inflation numbers up," Birol said in an interview in Paris. Most oil traders and analysts surveyed by Bloomberg predict that the Organization of Petroleum Exporting Countries and its allies including Russia will extend their output curbs, potentially to the end of the year, when they meet at their Vienna headquarters on June 1. Saudi Arabia and its partners have been keeping roughly 2 million barrels a day offline so far this year to tighten the oil market and prevent a global surplus (Bloomberg). We had a note of caution this morning, citing 7 of the last 8 bullish candles had small bodies, warning that the upside move looked like it could be exhausting. Market bulls did manage to close the futures back above the trend line initially; however, the move was not strong enough, resulting in the following candle opening on the wrong side of the trend support. The futures have subsequently sold lower for the remainder of the session, with price USD 1.00 lower at USD 82.88. The break in trend support would suggest that market bears will try and test the USD 81.71 fractal low. Two things to be aware of, the futures will be in divergence with the RSI on the intraday candle below USD 81.71, implying caution on downside side breakouts. The second is that we have the weekly 200-period MA at USD 79.27, this takes us into CTA support area. They have been consistent buyers of this average since March 2023, if they don't defend the average this time (it has been tested 10 or 11 times in the last year), then this technical has the potential to get very messy.

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