

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	11725	12625	7.7%	Pmx 1 month forward	8950	9300	3.9%
Cape Q1 21	9925	10300	3.8%	Pmx Q1 21	8775	8950	2.0%
Cape Cal 21	13925	13969	0.3%	Pmx Cal 21	10075	10125	0.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9700	9925	2.3%	Brent	51.16	51.39	0.4%
Smx Q1 21	8787.5	8950	1.8%	WTI	47.88	48.22	0.7%
Smx Cal 21	9450	9562.5	1.2%	Iron ore	154.64	156.5	1.2%

Data Source FIS and Bloomberg

The iron ore futures remain in a bullish trend. For more information please follow the link. DCE Iron Ore <https://fisapp.com/wp-content/uploads/2020/12/FIS-Technical-Iron-Ore-17-12-20.pdf>

Good news for the market bulls in Capes, the technical pullback that we were seeing looks to have been very shallow. We did have the downside move as countertrend, we did not expect it to be this short in time, or shallow in price. The shallow pullback gives the Jan futures a higher upside target, with resistance between USD 13,195 and USD 14,104. The momentum slowdown in the index was countered by rumors of vale being active in the market. The question for the Jan futures is, will it get into the resistance zone before the cycle completes?

The Panamax futures spent a little longer in their corrective phase than the Capes, a whole two days! With the futures showing bullish price action as they followed the Capes higher, there is a note of caution in the air, the index is going lower with reports the physical is entering a Christmas slowdown. Price is up today with the intraday momentum signaling bullish price action, however the futures have not made a higher high and it remains to be seen if the futures are following the Capes or making a bull move in their own right.

The intraday Elliott wave cycle on the Capes (52 min chart), have the futures making a new high on a bullish wave 5. The Supramax is matching its USD 9,225 high on what looks like a bullish wave 5, on the 52 min chart with upside Fibonacci resistance starting at USD 10,197. Meanwhile the Panamax index looks like its cycle is ahead of its two sisters and has already completed. Keep an eye on the intermarket spreads on either side of the Panamax as there is a market imbalance, that could narrow again soon. For the brave there is a butterfly that needs to be looked at with the Panamax as the body.

Egg on face, always wait for confirmation. Yesterday I went out on a limb and suggested we could had seen a cycle top. I gave myself 5 Cents upside, so my margin for error was tight and unfortunately incorrect. Not only incorrect, but the wave extended meaning we could see another upside test before this rally is over. USD 51.90 is not only the high, its now a bull market target!!

Have a nice night