

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	12875	12850	-0.2%	Pmx 1 month forward	8900	8850	-0.6%
Cape Q1 21	10375	10391.67	0.2%	Pmx Q1 21	8850	8800	-0.6%
Cape Cal 21	14000	13925	-0.5%	Pmx Cal 21	10100	10050	-0.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9925	9800	-1.3%	Brent	52.37	50.11	-4.3%
Smx Q1 21	8941.5	8900	-0.5%	WTI	49.08	47.09	-4.1%
Smx Cal 21	9650	9650	0.0%	Iron ore	161	174.73	8.5%

Data Source FIS and Bloomberg

A landslide in Brazil has heightened the supply woes of Vale, pushing iron ore above our USD 175 level we targeted on Friday (Bloomberg). However, this latest move is driven by tragedy and is not considered as technical. Price may have hit a target level but we would have preferred it for it to not be under these circumstances, the death of a worker highlights that Vale is entering the wet season in Brazil and this could have an effect on operational output. With supply and demand already out of balance the futures had nowhere else to go but up. The intraday technical will tell us more tomorrow once the market has settled down.

The Capesize index continues to produce higher prices but this is slowing down as we approach the Christian festival, Christmas. The futures flat to Friday with the afternoon session very subdued.

The Panamax index continues to weaken, however the Jan futures remained stable due to them being USD 2,000 below the index already. Again a quite afternoon session due to the upcoming holidays.

The Supramax index is starting to turn resulting in some technical weakness on the front month futures. However, like the rest of the freight market with 4 days to Christmas the market was quite.

Oil is coming under pressure due to the new strain of COVID-19. The vaccine has pushed the market higher but the reality is that the worlds largest vaccination process needs to get underway, otherwise market longs will start to close out. USD 52.79 is the key resistance as the long-term Elliott wave cycle is missing a downside move. Elliott wave is a theory and not fact but at this point the futures look vulnerable. Above USD 52.79 the pullback is considered as deep on the long-term weekly chart, meaning the probability of a strong downside move is reduced. For more information please follow the link. FIS Technical – Brent Feb 21 Weekly <https://fisapp.com/wp-content/uploads/2020/12/FIS-Technical-Oil-Report-21-12-20.pdf>

Have a nice weekend