FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COA

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change	
Cape 1 month forward	12900	14125	9.5%	Pmx 1 month forward	10425	11025	5.8%	
Cape Q1 21	14250	15600	9.5%	Pmx Q1 21	11362.5	11762.5	3.5%	
Cape Cal 21	15775	16237.5	2.9%	Pmx Cal 21	11487.5	11612.5	1.1%	

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	9525	10050	5.5%	Brent	54.52	55.37	1.6%
Smx Q1 21	10237.5	10600	3.5%	WTI	50.92	51.6	1.3%
Smx Cal 21	10312.5	10575	2.5%	Iron ore	168.14	168.5	0.2%

Yesterday on the iron ore we waffled on about the perfect corrective phase that seemed out pf place for wave 4. Time was a major factor as wave 4's are not quick tidy and efficient, which was everything that we were seeing in the initial downside move. This made us wonder if the upside move was a corrective wave B (bull trap)? The DCE futures were down 30 CNY in the evening session, meaning we could be onto something. For more information please click on the link DCE Iron Ore May https://fisapp.com/wp-content/uploads/2021/01/FIS-Technical-Iron-Ore-08-01-21.pdf

The Capesize index jumped 19% today with the Baltic dry index up 10.91%. This supports our bullish technical earlier in the week and our view yesterday that there was more upside to come. The futures have produced a bullish breakaway gap and traded within USD 100 of the 161.8% Fibonacci extension of the initial upside move, between the 4th and 5th of Jan. The Capesize ballast and Laden spread has reached 2 year highs, signaling near-term strong upside potential (IHS). We see this as a bullish impulse wave, meaning downside moves should find further buying support.

Like the Capesize sector ,the Panamax has moved within 161.8% of the last bull wave ,suggesting the afternoon pullback is purely technical. The physical is firm, the index is nearing 13k, with momentum increasing. We maintain our view from the technical report earlier in the week, the futures in the Q1 (and Q2) are on extended wave 3's, meaning downside moves will find continued buying support.

The Supramax technical said when referring to the index 'bullish hidden divergence'. We highlighted yesterday that the futures would have to rally if the index held in bullish territory and this has been the case. Feb has rallied 5.5% as market shorts are starting to feel the index pain. If the index divergence plays out then it could trade above the USD 11,631 level, suggesting the front month futures have more upside in the tank.

No real news out in oil today, we have highlighted that the market is now on a bullish 5th wave. Or, if you do not look at technical, it is rallying on cuts and stimulus hopes. For more information please follow the link FIS Technical – Brent Feb 21 Intraday https://fisapp.com/wp-content/uploads/2021/01/FIS-Technical-Oil-Report-08-20-21.pdf

It is a wrap

Have a nice weekend

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