

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	14275	14500	1.6%
Cape Q2 21	12750	13125	2.9%
Cape Cal 22	14125	14600	3.4%

	Previous Close	Current Close	% Change
Pmx 1 month forward	10600	11350	7.1%
Pmx Q2 21	11275	11875	5.3%
Pmx Cal 22	10400	10750	3.4%

	Previous Close	Current Close	% Change
Smx 1 month forward	10600	10975	3.5%
Smx Q2 21	10600	10850	2.4%
Smx Cal 22	10175	10275	1.0%

	Previous Close	Current Close	% Change
Brent	55.91	55.79	-0.2%
WTI	52.86	52.9	0.1%
Iron ore	164.97	169.15	2.5%

Data Source FIS and Bloomberg

DCE futures climbed 2.5% to USD 169.15 in what can only be described as the Biden Bounce. Traders remain wary of the rising numbers of COVID infections in the Hebei provinces, which accounts for 22% of China's steel production (Bloomberg). However, global markets continue to rise amid optimism the President-elect Joe Biden plans COVID-19 relief of about \$2 trillion (Bloomberg). The strong upside price action could draw the bulls back into the market, if we are no longer corrective we trade to USD 176.20. if it is corrective it should struggle to get much past USD 171.41. Wave analysis remains unclear, as we continue to have issues with the duration of the wave 4 correction which appears to be short.

A higher low and a higher close on the Capesize Feb futures is warning that we could be entering into another bullish phase soon. The morning technical report stated the futures were not a technical sell and the market has moved USD 1,200 higher since. We are not bullish yet as today's candle pattern is known as an inside day. An upside move that closes above the USD 14,825 level would be considered as technically bullish. It is worth noting that we had stronger price movement in the Q2 21 and Call 22 suggesting the Feb could rally on any form of positive news in the physical market.

A good day for the Panamax futures, we noted on the morning intraday technical that momentum was vulnerable to further moves to the upside with price in a Fibonacci support zone. One thing the market was not was a technical sell, a good early morning call that saw the Q2 futures rally from USD 11,250 to USD 11,875 in a single session. For more information on the Panamax technical please follow the link Panamax Technical Report 14/1/21 <https://fisapp.com/wp-content/uploads/2021/01/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-14-01-21.pdf>

Not really too much to say on the Supramax that has not been said already. It is behaving as we predicted a week ago in the technical, the downside move held support and the index keeps going up. Not a sell yet as there is further upside in this move. A technical tomorrow should give more colour to the current price action

OPEC Signals it is on track to drain oil inventories, Optimism on \$2 trillion aid package (Bloomberg), FIS technically bullish. One of those headlines has been beating the same drum for weeks now. However, the tune has not changed, we still believe that downside moves are considered as countertrend. However, with OPEC on the tambourine and Biden on the triangle, there really is music in the air. If the upside move fails around the USD 56.57 level then we might have a test to the downside, as it would suggest we remain in the corrective phase. However, we have not even mentioned the vaccine or Goldman's being bullish commodities.