

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	15450	15275	-1.1%	Pmx 1 month forward	12025	11275	-6.2%
Cape Q2 21	13250	13625	2.8%	Pmx Q2 21	12225	11800	-3.5%
Cape Cal 22	14550	14625	0.5%	Pmx Cal 22	10875	10750	-1.1%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10975	10950	-0.2%	Brent	55	54.81	-0.3%
Smx Q2 21	10875	10650	-2.1%	WTI	---	52.11	---
Smx Cal 22	10575	10575	0.0%	Iron ore	169.22	170.44	0.7%

Data Source FIS and Bloomberg

Not a very active session for the iron ore futures with price moving sideways for most of the day. The market continues to sit around technical resistance levels, whilst it waits for confirmation from the physical market on where to go. If we fail at these levels then we have a bearish Gartley pattern, if we push on we have a bullish wave 5.

For anyone that is just looking at the close only data they will only see a USD 175 drop in the futures value. The market has had a good strong day and recovered around USD 1,500 from the open. Price opened lower having seen price rejection on Friday afternoon, warning of a potential major weather fronts moving in also spooked the market first thing. With the physical market seeing fresh cargo the futures moved higher and closed the day just below the daily pivot point. We noted in the morning tech report that markets like to close gaps and it did not disappoint, with the futures trading to within USD 75 of the Friday's close.

The Panamax futures came under pressure today's with the Q2 futures looking like the extended wave 3 might have concluded, suggesting we are in the early stages of a wave 4 of this phase (for a better handle of wave analysis look at the rolling front Quarter chart). We noted in the morning report that we had achieved the minimum requirement for wave completion and traded within USD 100 of our near-term target. The Q2 ended up closing down 3.2% but it was the Feb that really suffered with price closing down 6.2%, at USD 11,250. the index itself was pretty flat, meaning the futures are back to a 2k discount. We are corrective and should have more downside in the coming days, however based on the intraday Elliott wave analysis these downside moves should be considered as countertrend.

The Supramax index continues to move higher which is in turn supporting the futures. Price did come under pressure in the morning, leaving a conflicting technical (morning report) but has recovered in the afternoon session. Technically we did not make a new high on Friday, that means we could be seeing cycle failure (it missed it by USD 25.00) or we still need to trade above the USD 11,100 resistance. If the index goes much higher we could see resistance levels tested again.

On Friday we might have mentioned that the futures support zone was between USD 54.82 and USD 54.39 with this being the potential termination point for wave C. The futures traded down to low of USD 55.49 before trading to a high of USD 55.21 and is now trading at USD 54.79. Have we changed our view? Not yet, price is still technically weak, but the fact it is holding in the support zone would suggest there is some accumulation going on. If we are wrong and we push much past the USD 54.39 support it could start to get a little messy as fresh longs look to cut early.

Have a nice evening