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

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	15275	15250	-0.2%	Pmx 1 month forward	11275	11675	3.5%
Cape Q2 21	13625	13150	-3.5%	Pmx Q2 21	11800	12075	2.3%
Cape Cal 22	14625	14400	-1.5%	Pmx Cal 22	10750	10600	-1.4%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	10950	10900	-0.5%	Brent	54.79	55.84	1.9%
Smx Q2 21	10650	10625	-0.2%	WTI	52.04	52.92	1.7%
Smx Cal 22	10575	10450	-1.2%	Iron ore	170.44	167.49 ource FIS and B	-1.7%

A downside moves in the futures would suggest the technical resistance levels are being respected at this point. Offshore Feb futures are back in the previous range with the futures now trading with a USD 166 handle. The downside move could be technical or it could be of Rio Tinto targeting increased shipments of iron ore by as much as 2.8% higher then last year. The company said on Tuesday in a production report that they were setting a range of 325—340 million ton, after producing 331 million tons in 2020 (Bloomberg). Rebar still looks to be in a corrective phase with near-term downside targets around the CNY 4,200—CNY 4,180. Lower steel pricing is having an effect on margins which are now around the CNY 150 level. Still profitable but far less than a month ago.

Another day of sideways price action for the Capesize futures with the Feb contract unchanged on the day. The Q2 came under pressure closing down 3.5%, even though the index rose by USD 600. If the index closes above the USD 24,450 level, then it will be showing signs of bullish momentum. However, the index could diverge with the RSI above the u. For more information on the USD 26,489 level. For those of you interested in the weekly, daily, intraday and seasonal charts for the Q2 futures please click on the link— Capesize Q2 21 19/1/21 https://fisapp.com/wp-content/uploads/2021/01/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-Q2-James-19-01-21.pdf.

A more robust day today for the Panamax with the futures moving 3.5% higher in the Feb and 2.3% in the Q2 contract. The cycle is bullish, but this phase is nearing exhaustion. Our analysis would suggest that upside moves on the Q2 should target USD 12,575—USD 12,686 in the near-term, before entering into a corrective wave 4. This is supported by near-term seasonality weakness. For further information on the Q2, weekly, daily, intraday and seasonality charts ,then please follow the link. Panamax Q2 21 19/1/21 https://fisapp.com/wp-content/uploads/2021/01/FIS-4-PAGE-TECHNICAL-REPORT-Panamax-Q2-19-01-21.pdf

The Supramax technical is unchanged. The Index continues to move higher and this is keeping the market bears on hold. Price has not made yet traded above the USD 11,100 level, which it needs to do for a minimum requirement of wave completion. We think that the market sellers are going to have to endure a bit more pain here as the market looks and feels like there is more upside.

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. I have left this comment unchanged for a reason as the futures have rallied. As a technical call goes it was a beautiful Fibonacci sequence that we like to see. However we stand by our decision that that buying it into the weekend with what has been happening in Washington was not the preferred choice of trade. I am hoping you all got involved yesterday when it was still I the zone.

Have a nice evening

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