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



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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change	
Cape 1 month forward	15250	15575	2.1%	Pmx 1 month forward	11675	11925	2.1%	
Cape Q2 21	13150	13100	-0.4%	Pmx Q2 21	12075	12275	1.7%	
Cape Cal 22	14400	14450	0.3%	Pmx Cal 22	10600	10550	-0.5%	

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Smx 1 month forward	10925	11050	1.1%	Brent	55.93	56.34	0.7%
Smx Q2 21	10650	10612.5	-0.4%	WTI	53.02	53.37	0.7%
Smx Cal 22	10350	10350	0.0%	Iron ore	167.49	166.14	-0.8%

**Data Source FIS and Bloomberg** 

Offshore iron ore continues to come under pressure with the Feb futures trading below USD 164.85 in the evening session. It is looking like the time period for the corrective phase had been too short, with what looks like a bearish Gartley correction in play. USD 163.50 is the key support to follow as a below this point the futures will have created a lower low. Uncertainty is an issue as we continue to see increasing COVID figures in China, but also the Shanghai scrap values continue to rise, putting pressure on margins. Mills will be happy to wait before buying ore on the weakened margins, suggesting USD 163.50 could come under pressure.

The Capesize index is showing bullish momentum based on price with an upside move over USD 1,400 today. The Feb futures did move 2% higher but are now trading at a 10k discount; meanwhile the Q2 futures are down 0.4% as the market waits for an expected index correction. As highlighted yesterday on the Q2 report, the seasonality looks like the futures could be ready to weaken so the market is not willing to chase higher. As a rule the tail wags the dog, so the market is telling the index that these levels will not hold. If they do, there will be blood on the streets if the shorts have to capitulate.

Price continues to hold with the Panamax Feb futures within USD 700 of the index, meaning corrective moves in the index will now count more, as the discount has narrowed. The futures are showing signs of exhaustion via a momentum slowdown suggesting we could soon enter into a corrective phase. The upside target based on our wave analysis is between USD 12,575—USD 12,686 in the Q2 contract, suggesting that upside moves could be limited to just a few hundred bucks from here before we enter a corrective phase.

The Supramax index was up over 150 today, whish is pretty much the move in the Feb futures. Price is now within 25 bucks of the USD 11,100 high, above this and the minimum requirement for the Elliott wave cycle to have completed this phase will have been acheived. The index is bucking the average pricing for the last 5 years and this is stopping the market from going any longer. It feels like a correction is coming, even if it is just for a few weeks.

On the basis that oil held in our support zone and is now holding at technical resistance I think we can agree this market is currently technical. We target USD 59.55—USD 59.57, for more information on the technical please click on the link FIS Technical – Brent March 21 Intraday 20/1/21 https://freightinvestorservices.com/blog/fis-technical-brent-march-21-intraday-20-1-21/

Have a nice evening

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