

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	11350	10700	-5.7%	Pmx 1 month forward	12350	12425	0.6%
Cape Q2 21	13075	12875	-1.5%	Pmx Q2 21	12750	12725	-0.2%
Cape Cal 22	14450	14250	-1.4%	Pmx Cal 22	10850	10875	0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11500	11600	0.9%	Brent	55.89	55.86	-0.1%
Smx Q2 21	11175	11100	-0.7%	WTI	52.14	52.94	1.5%
Smx Cal 22	10375	10450	0.7%	Iron ore	154.3	155.6	0.8%

Data Source FIS and Bloomberg

Sideways action in the iron ore market today with the Feb off shore future failing to hold onto overnight gains. A unsurprising similar pattern on the DCE May futures which having traded as high as CNY 1,007 sold off to CNY 972. Margins continue to hold in negative territory with little news on the wire for the market to be bullish about. Downside moves below USD 151.20 would target USD 146.16 and then USD 140.17. Likewise near term resistance remains at USD 158.90, with key resistance between USD 163.74—USD 164.51.

The Capesize futures gave up some most of Fridays gains today with the Feb contract 7.6 % lower to USD 11,375 and the March 5.7% lower at USD 10,700. The index itself was down after optimism on Friday that we could see a positive index proved incorrect . The FIS technical on the Q2 futures would suggest the pullback has been too deep for the Q2 futures to be bullish. For more in formation then please follow the link. Capesize Q2 21 01/02/21 <https://fisapp.com/wp-content/uploads/2021/02/FIS-4-PAGE-TECHNICAL-REPORT-CAPE-SIZE-Q2-James-29-01-21.pdf>

On Friday we had expectations of higher pricing on the Panamax Q2 21 futures, and this proved to be the case with price entering into our resistance zone above the USD 12,820. However a disappointing index that came in negative today seemed to kill off any upside optimism, resulting in the futures closing flat on the day (down USD 25). As highlighted in the morning report, the futures are showing a negative divergence with the RSI suggesting the upside move needs to correct soon. The trend in the futures is technically bullish but with the index being negative today and a divergence in the market, the futures look like they may enter into a corrective phase soon.

Little has changed since Friday in the Supramax futures, our expectation that the futures and the index will try and meet in the middle as they look to close the disparity gap looks to be on course. The Feb contract was up USD 100 to USD 12,050 today with our near-term upside target at USD 12,300. The index came in USD 40 lower but continues to hold above its short term averages. A negative index tomorrow would signal that we are entering into a corrective phase. If the futures hold or move higher the disparity should continue to close.

The roll into the April futures resulted in the rolling front month Brent futures gapping down on the open. However, price held at the 4—hour Bollinger band keeping price in range. This is a market full of indecision that is asking itself the question, will the vaccine roll out globally be enough to increase global demand? The reality is, it is not about the developed world getting vaccinated. If poorer countries are not vaccinated alongside the wealthy, then the pandemic will never go away. Neutral market at this point

Have a nice evening