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

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	9200	9275	0.8%	Pmx 1 month forward	12325	12600	2.2%
Cape Q2 21	12450	12425	-0.2%	Pmx Q2 21	12625	12825	1.6%
Cape Cal 22	14425	14400	-0.2%	Pmx Cal 22	10800	10850	0.5%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	11575	11725	1.3%	Brent	58.67	58.76	0.2%
Smx Q2 21	11000	11400	3.6%	WTI	55.95	56.14	0.3%
Smx Cal 22	10400	10400	0.0%	Iron ore	146.85	152.5	3.8%

Data Source FIS and Bloomberg

On the morning Iron ore report we had highlighted that if the Feb futures trade above the USD 149.59 level then it should test the USD 152.66, we followed this with further upside targets at USD 158.90. The futures pulled back USD 2.50 this morning on the back of a bearish hidden divergence in the market (the divergence is still in play) but are now back at the USD 56.10 high. USD 158.90 is still our near term upside target after a Vale output miss has given the market bulls some welcome support (Bloomberg).

The Capesize market based on our support yesterday with the futures trading up to a USD 9,650 high. Sideways action today on the March contract as we continue to form a base. The index came in nearly flat taking the sails out of the market sellers, it was not enough to get the bulls involved just yet, but any form of positive index tomorrow could see our USD 9,850 near-term target being achieved. The Feb contract understandably fared a little better with the futures up USD 200 on the index, as expected no wild moves just yet as the disparity with the index now sits at USD 2500.

A positive index in Panamax has kept the market bulls is play today. The futures have not made a new high yet but it is looking increasingly like it will. We have a resistance zine between USD 12,800 and USD 13,160 which is going to be tested once again. It loos like the intraday wave cycle that looks like it has somehow extended, we had this in the potential early stages of a wave 4 and it is looking like we are too early on this call. Multiple divergences in play mean the futures are not considered a technical buy at this point. It maybe that it is a physical/fundamental buy, but from the technical perspective the futures needs to correct to go higher.

The Supramax futures have had a positive day on a slowing index. For more information on the technical please follow the link. The Cal 22 on page 5 is telling an interesting story for freight. Supramax Technical 04/02/21 https://fisapp.com/wp-content/uploads/2021/02/FIS-4-PAGE-SUPRAMAX-REPORT-04-02-21.pdf

Earnings in oil are not going well with Royal Dutch joining the list of companies to post disappointing results (Bloomberg). However, there is some good news around for the Majors with WTI going above USD 55 and Brent above USD 59.00. We still think this has more upside in the near-term with downside moves being considered as countertrend. USD 59.55 is our long-term target, if we don't pullback soon this level will be surpassed.

Have a nice evening

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