

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	12025	16500	37.2%
Cape Q2 21	16000	17066.5	6.7%
Cape Cal 22	15525	15844	2.1%

	Previous Close	Current Close	% Change
Pmx 1 month forward	17200	21375	24.3%
Pmx Q2 21	15900	17850	12.3%
Pmx Cal 22	11675	12000	2.8%

	Previous Close	Current Close	% Change
Smx 1 month forward	15100	17100	13.2%
Smx Q2 21	14325	15725	9.8%
Smx Cal 22	11075	11450	3.4%

	Previous Close	Current Close	% Change
Brent	63.33	63.02	-0.5%
WTI	59.73	59.65	-0.1%
Iron ore	162.4	163	0.4%

Data Source FIS and Bloomberg

Capesize futures are more volatile than bitcoin but with no whales. An astronomical move on the front month forwards today on the back of strong fixings in the physical market. The index was up over USD 1,800 to just above USD 12,300, however with physical fixings rumored above 17.50 on the C3, it would suggest we should see a sizeable move up on the index tomorrow. The result has been a USD 4,500 move higher, a mere 37.2% in the March futures. It is worth highlighting now (in case you get bored) that we have an anomaly in the market in the Q2 Panamax. The C v P spread is still USD 1,500 below the 3 year average values, whilst the P v S is USD 1,500 above the 3 year average values. Granted at this point the Panamax is uber bullish having seen the index up USD 1,500 today. However, the butterfly looks to be around USD 3,000 out of line, it might not narrow yet but definitely needs to be monitored, it also has a positive divergence on the technical warning we have the potential for a momentum slowdown. Food for thought at least.

The Panamax market continues to push hard on the back of a firm physical market. Report of some very high fixings seem to have been very specific almost niche, however that doesn't take away the fact that the index was up 1,573 to USD 18,213. Only 24% higher on the day for the March futures, to close out at USD 21,375. Near-term resistance/upside target in the March futures is now at USD 22,475, then USD 24,100. The futures are now trading at a USD 3,000 premium to the index with expectations of another big index number tomorrow. However, we revert back to the butterfly and highlight that although the market is outperforming at the moment, it could become vulnerable to some aggressive countertrend moves if the index slows down. Downside moves below USD 21,000 in the March on the open would target the USD 20,650 then the USD 20,000 daily pivot point. If the 4-hour futures close below the pivot point the butterfly might get interesting.

The March Supramax futures have closed around the USD 17,000 resistance, up USD 2,000 on the day. Like the Panamax, the March contract is trading at a USD 3,000 premium to the index on the back of positive fixings. However, this will leave the futures vulnerable to a corrective move lower if the disparity goes much further, we are already pricing 19% higher. Downside moves on the open that trade USD 16,850 would target USD 16,500 then USD 15,670. Upside moves on the open above the USD 17,450 will target USD 17,750 and then USD 18,450.

A fairly sedate day on the Brent today with the futures pricing fairly flat. We noted yesterday that downside moves below the USD 6,307 level would target the USD 62.60 level and this has been the case, with the futures trading within 9 cents of our target/support. Very quite on the wire for Brent today which we are seeing being mirrored in the market.

Have a good evening