

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	10750	11750	9.3%
Cape Q2 21	15525	16250	4.7%
Cape Cal 22	15125	15700	3.8%

	Previous Close	Current Close	% Change
Pmx 1 month forward	17725	17100	-3.5%
Pmx Q2 21	16275	16100	-1.1%
Pmx Cal 22	11425	11575	1.3%

	Previous Close	Current Close	% Change
Smx 1 month forward	19000	18500	-2.6%
Smx Q2 21	16000	15625	-2.3%
Smx Cal 22	11125	11175	0.4%

	Previous Close	Current Close	% Change
Brent	67.31	67.01	-0.4%
WTI	63.45	63.45	0.0%
Iron ore	165.7	165.35	-0.2%

Data Source FIS and Bloomberg

The downside move in the March Iron ore futures looks to have been over quickly, with the price failing to test the USD 165.80 support that we highlighted in the morning technical. Rebar continues to push higher, and steel margins remain stable, this supports our bullish technical, as the market is seemingly unfazed by the announced curbs in Tangshan yesterday. USD 176.20 is the level for the march futures, however the April is becoming the active contract, so we could see both contracts looking to trade above this level.

The Capesize index is showing a momentum slowdown and is holding above the USD 12,191 level that we highlighted yesterday. Down just USD 112 today, this prompted market buyers in the March futures to push it above our USD 11,600 level from yesterday, to trade up to a USD 12,500 high. Tomorrows open will be key, as price and momentum are conflicting. If the futures open above the USD 11,850 level with the 4-hour RSI above 52 (currently 49), then any upside move, could potentially gain real traction. If the futures come under pressure on the open market sellers will be looking to test the USD 10,250 low.

Two days ago, the Panamax index was showing signs of slowing down, today it came in down USD 617, at USD 18,532. we noted on the technical report on the 17/02/21 that the index was 54% above the 34-period exponential moving average, meaning we had a large mean reversion gap in play. The average has now moved USD 1,600 higher, whilst the index has moved USD 2,791 lower, meaning the gap is now only 17%. What we are seeing is a natural correction from an over-extended market that is rebalancing. The technical still indicates a corrective phase rather than bearish and we maintain our view that there should be further upside moves to come. We mark the USD 16,000 area as a key support level suggesting that we could soon be seeing some value in the futures in the March and April futures.

The Supramax index is slowing down but still posting gains of around +USD 500, the disparity between the March and the index is now at USD 2,000. There is time value in the April futures which is why it is pricing at USD 16,550, however if the index turns negative tomorrow and enters a corrective phase, we still see key support at USD 15,300. As highlighted in the Panamax, if the April contract moves much lower it could start attracting market buyers looking to extract some value on the curve.

Oil really does not know what to do today. The Brent futures had what can only be described as a small technical break to the upside on the EU open that lasted all of 20 minutes before trading below the USD 67.03 low of the opening bull candle. A quick about reverse resulted in the futures trading within 1 pip of the USD 66.47 daily pivot point. Market shorts closed out, pushing the futures back up to USD 67.03. Day traders only today based on that price action. If the 6.00 p.m. (U.K.) candle closes above USD 67.04 then you could potentially see the market being bullied back up to the USD 67.70 level. However, if it does not it will probably test the low,

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The unprecedented cold front in Texas resulted in crude output falling to 9.7 million barrels a day (EIA) with concerns of a shortage of global supplies now building, the futures have traded to an intraday high of USD 67.30 on the back of this news. Our morning report had suggested we have the potential for further upside moves, however this is data driven and not technical and could potentially change the Elliott wave footprint in the coming days. Time will tell...

Have a nice evening.