

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	16875	17250	2.2%	Pmx 1 month forward	19400	19625	1.2%
Cape Q2 21	18291.5	18475	1.0%	Pmx Q2 21	18000	18125	0.7%
Cape Cal 22	15925	15800	-0.8%	Pmx Cal 22	11975	11900	-0.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	18125	19000	4.8%	Brent	62.62	64.14	2.4%
Smx Q2 21	17250	17325	0.4%	WTI	59.47	61.34	3.1%
Smx Cal 22	11325	11325	0.0%	Iron ore	168.7	169.5	0.5%

Data Source FIS and Bloomberg

The April iron ore futures remain in a USD 10.00 range with resistance at the USD 174.05 level, the trend itself is considered as bullish with upside targets at the USD 176.20 high. The onshore rebar continues to make new highs, and this is taking the steel margin up with it (up RMB 84 to RMB 278), the Rebar futures are at RMB 4,857 with the 10 year high at RMB 5,230, this is more than a major resistance, this is the bull market target. Iron ore futures are bullish within the range, having made a higher high on the 4—hour chart, this would suggest resistance at USD 174.05 could come under pressure soon. U.S. HRC is following the onshore Rebar futures higher with near-term indicators implying the September futures could test the USD 1,045 level. For more information on the U.S. HRC technical please follow the link U.S. HRC Sep 21 03/03/21 <https://freightinvestorservices.com/blog/u-s-hrc-sep-21-03-03-21/>

A bullish close in the Capesize market yesterday was followed by reports that the C5 had fixed at 8.10 just after the open this morning. April futures responded by trading to a high of USD 18,125 as futures buyers looked to try and squeeze the physical market. The index came in up USD 1,758 to USD 13,910 warning that the futures could be overextending a little, resulting in sellers entering the market and with bids fading in the afternoon session. The April closed 2.2% higher, at USD 17,250, however this will leave the technical vulnerable tomorrow if we open around these levels as the pivot point (balance point) looks like it will be around the USD 17,375 level. Market bulls will want to see the futures holding above this level and more importantly they will want to see an index up another USD 1,750 tomorrow, otherwise we could see the futures fade further.

Early bullish momentum in the April Panamax futures failed to hold. Having traded as high as USD 21,125 in the opening session the futures closed, up USD 175, with the daily candlestick producing a Doji star, indicating indecision in the market. The index has entered buyer's territory with a close above USD 17,906, the expectation will be higher index prices over the coming days, suggesting it is more likely that the futures have overextend in the near-term. Upside moves above the high of today's Doji (USD 21,125) would signal a resumption of the bullish trend. If we trade below the USD 18,700 low, we could enter a corrective phase.

We have previously highlighted that the April futures in both the Panamax and futures had looked attractive once they rolled into the front month and this has resulted in the futures trading significantly higher in recent days. Up USD 625 today is not telling the full story, as the futures are USD 500 of their highs. However, the cycle seems to be bullish suggesting we could test the 20,325 level soon. If we trade above today's small rejection candle you could see market speculators bidding the futures up on the back of renewed momentum. The index is holding in a trending environment but needs to close above the USD 20,967 level for momentum based on price to be seen to be improving.

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A mixed day for the Brent with the futures creating a new high before coming under selling pressure due to weakness in the equity markets. However, Bidens comments on the vaccine rollout created bullish optimism in the Brent as the market awaits some clarity from OPEC tomorrow. The EIA figures gave mixed signals with Crude oil showing a 21.5-million-barrel build, compared to a draw of 13.6 million in gasoline, and a 9.7 draw in distillate stocks. The deep freeze proved more disruptive to refining than production, hence the build (FXCM). U.S. data also showed that gasoline supplied, a gauge for demand, surged the most since May, supporting those who say the market needs more barrels from OPEC and co (Bloomberg). Having traded down to a low of USD 63.04 after the figures the futures rallied to a high of USD 64.70. OPEC in focus now, let us see what tomorrow brings.

Have a nice evening