

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	17250	17200	-0.3%
Cape Q2 21	18475	18225	-1.4%
Cape Cal 22	15800	15800	0.0%

	Previous Close	Current Close	% Change
Pmx 1 month forward	19575	20375	4.1%
Pmx Q2 21	18100	18675	3.2%
Pmx Cal 22	11950	11825	-1.0%

	Previous Close	Current Close	% Change
Smx 1 month forward	18750	19375	3.3%
Smx Q2 21	17275	17700	2.5%
Smx Cal 22	11325	11325	0.0%

	Previous Close	Current Close	% Change
Brent	63.99	67.36	5.3%
WTI	61.06	64.46	5.6%
Iron ore	169.5	167.3	-1.3%

Data Source FIS and Bloomberg

The Chinese political conference has started this afternoon, this is where they will set out their economic plans for the next 5 years. At the forefront will be environmental protection as it has been for the last 3 years, with decarbonization targets the hot topic, alongside the curbing of steel production levels. Iron ore closed the day session on a firm footing, however with the conference starting we have seen some liquidation from market longs, that have pushed the futures down to the 165.40 support. Price remains in range and is currently trading around the 167.30 level. However, all eyes are on the conference as this will define the next move. The technical is still bullish but that will have no bearing if the rhetoric is bearish for iron ore.

The April Capesize futures opened with bullish intent with the futures trading to a high of USD 17,875 early on, however bids soon turned to offers with no follow through in the physical market, leaving the April futures to close flat on the day. A strong upside move on the paper yesterday needed to see the index moving higher today. Unfortunately like the futures, the index came in a disappointing USD 36 lower, killing off any hoped of a paper push this afternoon. Paper is holding, but any softening in the physical will leave the April futures vulnerable to downside price action. One positive for freight, Brent futures are pushing higher on the back of the OPEC meeting.

The Panamax Q2 futures are at key resistance levels with buying momentum now slowing down. However, the index continues to move higher suggesting this could be a consolidation phase. For more information on the Panamax technical please follow the link Panamax Technical Report 04/03/21 <https://fisapp.com/wp-content/uploads/2021/03/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-04-03-21.pdf>

We highlighted the bullish cycle again in the Supramax futures yesterday and this has proven to be correct. The April contract is up USD 975 on the day as we approach the USD 20,325 high. April is now trading at USD 19,725 with our near-term target at the USD 20,325 high, we think it will get there in the next day or so as the Index continues to grind higher. We highlighted on the 25/02/21 (and 26th) that the April would look attractive on the roll if the index did not produce a hard and fast correction, suggesting there could be value to be extracted from the market. The technical cycle was bullish then, and it still is. Our analysis has USD 20,325 as a near-term target, but our cycle analysis would suggest we could see a 22k and maybe a 23k handle on the April/rolling front month.

OPEC have spoken, it is good news for longs in Brent futures or petro dollars. Output is unchanged and this has caught the market off guard, headlines on the wire this week have been talking about an increase in output with data in the U.S (Gasoline Supplied. A gauge for demand) surging the most since May. Unsurprisingly, the oil futures caught a bid and rallied around 5%. This has taken the greenback and other commodity currencies with it, leaving a sea of red on the Euro, Cable, and Yen, to name but a few. A technical tomorrow on Brent as the Elliott wave footprint will almost certainly have changed on the back of the OPEC meeting

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