

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	17200	18500	7.6%	Pmx 1 month forward	20425	21125	3.4%
Cape Q2 21	18225	19500	7.0%	Pmx Q2 21	18725	19500	4.1%
Cape Cal 22	15800	16050	1.6%	Pmx Cal 22	11975	12075	0.8%

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Smx 1 month forward	19725	20875	5.8%	Brent	67.26	69.19	2.9%
Smx Q2 21	17900	18950	5.9%	WTI	64.03	65.99	3.1%
Smx Cal 22	11350	11425	0.7%	Iron ore	170.95	167	-2.3%

Data Source FIS and Bloomberg

A downside move in Iron ore failed to hold with the futures closing back in their range. Rebar has held up in the evening session having seen a sharp drop yesterday, dragging steel margins down to RMB 177. Onshore iron ore futures continue to consolidate with aggregate open interest remaining firm, suggesting that market longs continue to hold at this point. China's NPC has not yet touched on the steel industry, but they have set a conservative growth target that signals more restrained monetary and fiscal policies this year. Open interest is going to need to be monitored closely going forward to see if there is a shift in sentiment in the onshore futures.

The Capesize market moved higher today, in part driven by the rising oil market. The futures traded to a high of USD 19,750 on the open and looked as if they could test the USD 20,500 level. However, by mid-morning it was becoming apparent that index expectations needed to be reined in, with the futures moving USD 1,000 lower. This proved to be the correct call as the index came in up USD 920 higher to USD 14,794. The technical is still bullish with USD 20,500 the near-term upside target, however we are seeing signs of exhaustion suggesting we need to see a pickup in the spot market in the coming days for the futures to remain supported.

The Panamax index continues to climb, but upside momentum is starting to slow with the index up just USD 261 today to USD 18,829. Our technical yesterday indicated that the futures were at a key resistance level as we had the potential for a bearish Gartley pattern. Countering this was the lower timeframe wave analysis that was signaling a bullish impulse move. The futures traded above and held above the USD 19,073 level today suggesting a bullish impulse wave 5 that is targeting the USD 20,250 level.

Yesterday we set a near-term target at USD 20,325 for the April futures with longer-term targets looking like they could have a USD 22k and perhaps a USD 23k handle on them. The index came in up USD 186 to USD 21,089 with the April futures trading another USD 1,225 higher to USD 20,950 as it continues to play catchup. We continue to maintain our bullish view that the rolling front month will continue higher for now.

Big moves yesterday were followed by another strong move today with prices now trading to a high of USD 69.35. For more information on the technical, please follow the link FIS Technical – Brent April 21 05/03/21 <https://fisapp.com/wp-content/uploads/2021/03/FIS-Technical-Oil-Report-05-03-21.pdf>

It is a Wrap

Have a nice weekend

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