

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	21250	19350	-8.9%	Pmx 1 month forward	20275	18850	-7.0%
Cape Q2 21	21500	19600	-8.8%	Pmx Q2 21	19125	17850	-6.7%
Cape Cal 22	16100	16000	-0.6%	Pmx Cal 22	12100	11900	-1.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	21325	20750	-2.7%	Brent	67.3	67.12	-0.3%
Smx Q2 21	19125	18725	-2.1%	WTI	63.82	63.52	-0.5%
Smx Cal 22	11450	11450	0.0%	Iron ore	157.5	158.55	0.7%

Data Source FIS and Bloomberg

Iron ore futures continue to come under pressure due to the environmental woes in Tangshan, coupled with expanding iron ore and steel inventories. Rebar futures moved lower again, and this is feeding through to the steel margins which have dropped RMB 130 in the last 24 hours, to RMB 163. April futures have held above their lows, but the strength downside move is suggesting that upside price action is likely to be met further selling pressure. A tentative move higher failed to test yesterday's pivot resistance at USD 160.38. One positive is that the current pivot point is now at USD 157.15, meaning the futures are holding above yesterday balance point, if we hold, then we could have a short-term test to the upside.

Not a great day for the Capesize market today with the futures making new low closes in the April and the Q2. For more information on the technical please follow the link. Capesize Technical Report 10/03/21 <https://fisapp.com/wp-content/uploads/2021/03/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-10-03-21.pdf>

Green shoots in the Panamax index in recent days had created a ray of hope, however Down USD 138, to USD 18,626 today mean that we are now closing below our MA support lines, warning that we could test the USD 17,439 level in the coming days. The April futures got it right yesterday with a bearish close that has seen continued selling pressure today. From a cycle perspective the front month Panamax is the only product not to have made a new high, it would be unusual to be in a separate cycle, however the USD 26,875 from a month ago was massively overextended at the time, suggesting the cycle will try and rebalance at a future date.

The Supramax index remains strong like a bull; however, if the tail is to wag the dog then the futures are suggesting we could see a momentum slowdown in the index soon. The April futures did drop 2.7% to USD 20,775 today on the back of the Panamax and Capesize sell offs, with the smallest size vessel continuing to produce the highest April values. Longer-term logic would indicate this is unsustainable, however whilst the spot remains this strong the paper will continue to hold. A weaker close today would suggest the April will open around the USD 20,800 daily pivot point, if we cannot hold above this level, we could see some liquidation in the market tomorrow.

A mixed day in the oil market with the futures rallying on the European open due to a weakening dollar basket. However, around 2.00 P.M U.K. time the futures dropped and rallied 1 dollar in 12 minutes, apparently on the back of a rogue news headline in Russia. The market recovered but market longs had been spooked, meaning the futures gave back their hard-earned gains into the close. Price is holding above the low with a small-bodied candle, on a short-term average, this would suggest that market buyer's may have lost the day but have gained a tactical advantage for tomorrows session.

Have a nice evening.

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