

# FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	19350	19750	2.1%
Cape Q2 21	19600	20041.5	2.3%
Cape Cal 22	16000	16200	1.3%

	Previous Close	Current Close	% Change
Pmx 1 month forward	18725	20075	7.2%
Pmx Q2 21	17825	19200	7.7%
Pmx Cal 22	11925	12275	2.9%

	Previous Close	Current Close	% Change
Smx 1 month forward	20775	21625	4.1%
Smx Q2 21	18725	19475	4.0%
Smx Cal 22	11475	11575	0.9%

	Previous Close	Current Close	% Change
Brent	68.18	69.45	1.9%
WTI	64.69	65.82	1.7%
Iron ore	158.55	164.9	4.0%

Data Source FIS and Bloomberg

Big moves to the buy side in the April Iron ore futures yesterday have taken the technical into a neutral phase. The move has been attributed a boost in steel demand on the looming construction season (Bloomberg) which does make you wonder why we had a USD 10.00 sell off a few days ago. Interestingly aggregate open interest on the onshore futures held firm during the slide, which we have put down to a natural open interest build after the liquidation before the Chinese New Year. The April futures traded to the base of the previous range support (USD 165.25), before technical sellers pushed the futures down to the daily pivot at USD 162.15, which has subsequently held. The futures will open overnight with price and momentum aligned to the buy side, suggesting we should in theory see market bulls defending the USD 162.15 pivot level.

The April Capsize futures have proven to be resilient today even with the index coming in USD 536 lower, at USD 17,353. The futures opened at USD 18,750 and traded to a high of USD 20,375 but failed to hold above the daily pivot at USD 20,141. Basically, the futures held our moving average support and pivot resistance, with tomorrow's pivot around the USD 19,625 level, it could make for a cagey open. The Lower close on the index means that near-term support is at USD 15,836, with key RSI resistance around the 62 level. Historically if the RSI goes above this level, we often see momentum gaining pace and an increase in index values in the region of 3 –5 thousand.

The Panamax index caught me by surprise today as it has come in flat to yesterday, price is weakening in terms of it now being below our moving average, but momentum in terms of price is not. This could mean market consolidation as attention in the physical market seems to be switching basins; however, for the futures, no follow through to the downside on the index has been taken as bullish and we think this could be the correct play. Our wave analysis has the index either in a corrective wave 4, or the early stages of a bullish impulse wave, meaning there is value to be sought if it goes down and buying impetus if it goes up. The intraday futures have price and momentum now conflicting, having previously been bearish. If we move much higher the RSI will support price, suggesting we could see buying support on market dips. If we do not push on the open tomorrow, then the market will be vulnerable to downside moves.

Strong like a bull. There really is no better descriptive phrase for the Supramax index at this point, with price seemingly unstoppable. The index came in another USD 368 higher, at USD 22,557 with the April futures moving USD 850 higher erasing yesterday's losses. Our upside target for the April futures is between the USD 23,772-USD 23,819 (or rolling front month) but be aware, above the USD 22,125 level the futures will have achieved the minimum requirement for the wave 5 completion of the extended wave 3. Strong like a bull we are, but there is a bear over the hill getting ready to put us in a wave 4 corrective phase.

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Yesterday we highlighted the market buyers lost the day in the Brent futures but gained a tactical advantage. About a minute after we posted the report on the App, U.S. buyers stepped in to close the market on the high of the day, clearly, they did not get the memo. We have the wave cycle as bullish with upside moves expected to trade above the USD 71.38 level in the near-term. The move is being attributed to a recovery in oil consumption and a weaker Green back, with data showing that vehicle miles driven on U.S. highways rose 10% last week (Bloomberg). This fits into the Elliot t wave cycle so we will take that!!

Have a nice evening.