

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	22500	21375	-5.0%	Pmx 1 month forward	21875	22800	4.2%
Cape Q2 21	22575	21741.5	-3.7%	Pmx Q2 21	21000	21850	4.0%
Cape Cal 22	16875	16850	-0.1%	Pmx Cal 22	12600	12800	1.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	21675	21625	-0.2%	Brent	68.79	68.34	-0.7%
Smx Q2 21	20050	19800	-1.2%	WTI	65.28	64.72	-0.9%
Smx Cal 22	11900	11925	0.2%	Iron ore	157.65	159.75	1.3%

Data Source FIS and Bloomberg

Little movement in the last 24 hours in iron ore with the April Futures in a holding pattern. Technically momentum is suggesting we could see some form of momentum pullback, however GS has lifted its forecast for 2021 to USD 135, from USD 120 and this has given the market a bit of a lift. GS did say they expect to see a 30% drop by year end, suggesting they think we could trade back to the USD 110 area (Bloomberg).

Base reports today, five of them. Base Metals Technical Report 16/03/21 <https://fisapp.com/wp-content/uploads/2021/03/FIS-Base-technical-Report-16-03-21.pdf>

The Capesize index produced another positive figure today to come in up USD 220 to USD 17,274. The index is grinding out these numbers and is starting to look laboured at these levels, it needs to see a big day soon, if it gets one it could give the index the momentum it needs to push on and support the paper. The April futures disappointed with price moving USD 1,125 lower, to USD 21,375. In theory this is just a small closing of the disparity with the index, which at USD 4k is comfortable, the paper will however look very vulnerable if we see a negative index print in the coming days. The dollar basket is starting to look a little shaky so we could see some light relief from rising bunkers if we break down much further.

The April Panamax futures have put in another fine performance today on the back of an equally stellar performance for the index. Both are up nearly USD 900 on the day as the we creep ever closer to the USD 26,875 high; at this rate we should be there by Monday! The one-hour futures are showing a negative divergence now, suggesting we need to see price and momentum push on, otherwise the futures might drop back into a corrective phase first. Wave analysis is bullish but until we have cleared the potential bearish Gartley pattern (In Elliott term that would mean the upside move is wave B to be followed by a bearish wave C, before eventually moving higher) the technical is vulnerable to a corrective wave lower.

A momentum slowdown on the Supramax index has resulted in a negative number, down USD 44 to USD 22,865. Ironically, the April futures look less vulnerable today than they did yesterday, no doubt the strong Panamax Index/futures are stabilizing the wobble. The technical is vulnerable, but at USD 1,200 below the index the April futures are very well placed. Providing we do not see a massive capitulation in the index we should be well supported regardless of the technical. However, it only takes one bad day and that USD 1,200 cushion could evaporate.

The USD 67.80 support in Brent has been tested again today with the 60 min futures failing to close below it. The wire is quite apart from Vitol's \$3b record profit in 2020 (Bloomberg). Brent is showing signs of consolidation, but this again seems more related to the USD basket weakening, than actual bull news. Near-term resistance is at USD 69.30 and this looks like it will be tested in the short term; however, if we are to see upside continuation, we will need to see more evidence of rising consumption. The technical is holding in bull territory it just needs something to give it confidence.

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