

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	22750	23750	4.4%
Cape Q2 21	23200	24600	6.0%
Cape Cal 22	17150	17425	1.6%

	Previous Close	Current Close	% Change
Pmx 1 month forward	25175	27125	7.7%
Pmx Q2 21	23775	25325	6.5%
Pmx Cal 22	13225	13500	2.1%

	Previous Close	Current Close	% Change
Smx 1 month forward	23625	24000	1.6%
Smx Q2 21	21525	21625	0.5%
Smx Cal 22	12400	12450	0.4%

	Previous Close	Current Close	% Change
Brent	67.74	62.05	-8.4%
WTI	64.44	58.81	-8.7%
Iron ore	159.9	160.1	0.1%

Data Source FIS and Bloomberg

Iron ore

Iron ore moved higher this afternoon with the April futures trading above the USD 161.66 resistance and the 4-hour 200 period MA. The upside move has taken the technical into a neutral phase, however the downside move on the 15/03/21 had already created a positive divergence, suggesting this upside move could supporting a buyer's argument. The move has failed to hold for now, but the resistance is breached, warning we could potentially see a trend change. The iron ore market is now in a catch 22 situation, as a potential curb on steel production is supporting rebar prices and therefore steel margins. Margins are now at RMB 377, meaning the mills are drawing ore at market price, regardless of stockpiles, which in turn is creating a technical picture that is starting to look bullish. Right now, it is a Mexican standoff but if margins continue to push then ore could go with it. Big moves lower in oil could however spook them markets and create a commodity sell off so it will be interesting to see how the night session reacts.

Capesize

A positive day in the Capesize market with the index up another USD 942 today. The RSI on the index is the focus as the backend futures are looking firmer than the front. We will leave you with the technical report to explain the RSI scenario. Capesize Technical Report 18/03/21 <https://fisapp.com/wp-content/uploads/2021/03/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-18-03-21.pdf>

Panamax

The Panamax index came in up USD 2,155 to USD 24,064 today, if we go much higher it will become a component in the FIS air freight index. The April futures did not let us down and as previously highlighted last Friday the USD 26,875 has gone from a legitimate upside target to being breached today. April was up 7.7% to close the day at USD 27,125, having reached a high of USD 28,250. We are currently on a wave 3 of the phase that started on the 01/03/21 with the futures nearly 161.8% the length of the move between the 01-08 of this month. On paper this is a classic termination point for an Elliott wave 3, however we think this wave has more in the tank, either way our analysis would suggest that downside moves should find buying support in the near-term. Bunkers could be in the spotlight tomorrow and this will bring into question the resilience of the freight complex.

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Supramax

The Supramax futures were up another USD 253 today to USD 23,258, The April futures lost the run of themselves early on to trade to a high of USD 24,875. However, like the Panamax we see this as a corrective move within the bull trend with the futures being on a bullish Elliott wave 3. If our analysis is correct, then this is a corrective move lower and not a bear move suggesting the futures should find buying support soon. Strong like a bull but as highlighted in the Panamax bunkers will be in focus tomorrow.

Brent

This is not what we were expecting in the Brent futures, as we had this as a corrective move lower and not a bear move. Bloomberg are attributing this to a stronger dollar, weakening Asian demand and a slide in equities. The dollar basket looks stable, however the U.S equities are weakening. Luke Longhurst the head of our FIS bunker fuel team alongside an oil trader (source not named) both believe this to be one or two players unwinding existing long positions, that has created a snowball effect as the futures have broken four of Gann support lines in as many hours. Open interest will be the focus tomorrow, and a potential dead cat bounce?