FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COAL



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	Previous	Current			Previous	Current	%
	Close	Close	% Change		Close	Close	Change
Cape 1 month forward	23300	21000	-9.9%	Pmx 1 month forward	25250	23250	-7.9%
Cape Q2 21	24175	22641.5	-6.3%	Pmx Q2 21	23150	21425	-7.5%
Cape Cal 22	17275	16750	-3.0%	Pmx Cal 22	13175	12975	-1.5%

	Previous	Current			Previous	Current	%			
	Close	Close	% Change		Close	Close	Change			
Smx 1 month forward	19975	19000	-4.9%	Brent	64.33	64.42	0.1%			
Smx Q2 21	19125	18125	-5.2%	WTI	60.72	61.01	0.5%			
Smx Cal 22	12175	12125	-0.4%	Iron ore	152.45	158.5	4.0%			
					Data Source FIS and Bloomherg					

## Iron Ore

Rebar futures and steel margins continue to make new highs, with margins now at RMB 958. However, having put in a strong performance in the day session the iron ore futures came under pressure in the evening session, with the May offshore contract moving USD 3.50 lower. The matrix of the market has changed, overnight buyers stepped in on the ever-increasing margins; however, with port stocks at north of 133 million tons the mills need to be seen to be drawing ore aggressively, as the government rhetoric is negative ore and positive steel pricing, meaning rebar prices and mill margins mean nothing to the iron ore market at this point. Curbing steel output whilst already committed to infrastructure projects has the market asking questions and is keeping ore supported, but it is going to need mill activity to push it higher. From a technical perspective we now look to be creating a range between USD 146—USD 158 as the market tries to work out if curbs are really going to have an effect/be enforced.

## Capesize

The big tide has done its Job and the Ever Given is now free of the banks and happily chugging along the Suez Canal. Panic buying has now resided with the futures entering a corrective phase. For more information on the technical side of the market please click on the link. Capesize Technical Report 29/03/21 <a href="https://fisapp.com/wp-content/uploads/2021/03/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-29-03-21.pdf">https://fisapp.com/wp-content/uploads/2021/03/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-29-03-21.pdf</a>

## Panamax

Like the capes the futures have taken a hit today with the April contract down 8% to USD 23,075. The sentiment move is driven by the clearing of the Suez Canal putting the technical in a corrective phase. Our Elliott wave analysis is neutral on the back of the futures trading just below the USD 21,897 level last week, however our wave count would imply there is another test to the upside before we enter a higher time frame corrective phase. It is E-wave theory and not fact, so the shifting of the Ever Given could change the technical footprint on the lower timeframe; however, at this point we have expectations of one more upside push within this phase.

## Supramax

Strong like a bear! The April futures continue to come under pressure in what looks like a countertrend corrective wave 4. The index was down another USD 357 to USD 21,456, meaning the April contract is at a USD 3,000 discount with only a couple of days before we start to price in. The technical is corrective within a bull trend, if the index slows down anymore, we could see the April snap back up, even if it is just short-term to keep the disparity at a sensible level.

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Oil

The oil technical had made a higher high having seen a phase of accumulation during the Suez crisis. News of the canal clearance has resulted in a technical pullback to the daily pivot point where it is currently holding, price remains below the long-term channel support. Open interest is now stable but there has been no build yet, price action on the intraday would suggest there is accumulation going on, but no OI build means there is little to back this up. With traffic starting to flow we could see the futures come under pressure again making it imperative that upside moves can get into and stay in the previous bull channel. Little news on the wire other than the Ever Given being freed meaning the market will have to look elsewhere for bull news.

Have a nice evening.

Ed Hutton

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