# European Close

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	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Cape 1 month forward	21000	21000	0.0%	Pmx 1 month forward	23075	21375	-7.4%
Cape Q2 21	22641.5	22666.5	0.1%	Pmx Q2 21	21137.5	19575	-7.4%
Cape Cal 22	16750	16700	-0.3%	Pmx Cal 22	12900	12700	-1.6%

	Previous	Current			Previous	Current	
	Close	Close	% Change		Close	Close	% Change
Smx 1 month forward	18575	18050	-2.8%	Brent	65.2	64.23	-1.5%
Smx Q2 21	17825	17000	-4.6%	WTI	61.61	60.62	-1.6%
Smx Cal 22	12100	11900	-1.7%	lron ore	158.5	156.5	-1.3%

Data Source FIS and Bloomberg

# Iron Ore

Rebar futures have now started to move sideways over the last couple of days, but steel margins continue to increase, on paper neither of these are factored in due to the nations attempt at cleaning up their carbon emissions. Iron ore is still going up with the May contract pushing higher on a bullish inverse head and shoulders pattern that has a potential upside target at USD 164.20. News on the wire suggests that China steel industry aims to reduce carbon emissions by 30% by 2030, after they reach a peak before 2025 (Bloomberg). So, with steel curbs in pace there is still an expectation that emissions will continue to be bad for the next 3.5 years. The sceptic would argue that high margins might be an attractive reason to buy iron ore after all!

# Capesize

The April futures have closed flat to yesterday with the futures holding above the USD 20,325 support, which is the base of the bullish gap, having traded to a low of USD 20,375. A tight range in the April was matched by a similar range in the May, with the only difference being the May produced an inside day candle pattern. In theory a breakout in either direction above/below today's high low will define the directional breakout, though the preference is the direction of the prevailing trend (which looks to be still up) the index took a bit of a hit today coining in USD 605 lower to USD 18,382. At USD 5,000 the disparity is at manageable levels between the May and the index, however if the physical weakens further then we might be seeing the inside day candle break to the downside.

# Panamax

On the morning technical we highlighted the potential for a bullish Gartley pattern with a support zone between USD 19,420 - USD 19,030. The support zone is not exact, but market bulls will not want the futures trading much below the USD 19,030 level, as the probability of the pattern working will be reduced. The Index continues to come under pressure, down USD 803 to USD 23,171. If A– B = C–D in trading (I.E waves are often the same distance in length) then the April futures could be about to get interesting as the 100% Fibonacci projection level on the initial move lower (18-24 March) is at USD 19,966, with the 78.6% Fibonacci retracement level at USD 20,684, meaning the futures are entering a support zone and a potentially another Gartley pattern. Tomorrow should be interesting, if we can continue to trade lower and go below these support zones then we are probably in a higher timeframe corrective phase.

#### Supramax

# Continued on Page 2

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

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#### Supramax

The index is down another USD 385 to USD 21,071 today with the April and May trading at a USD 3,000 and USD 4,000 discount, respectively. I know the Supramax is trading at calculator figures now and there is the possibility of the index getting carried out on a stretcher. However, I cannot be the only one looking at the futures and thinking they are looking undervalued, a day before we see the futures roll. Key support on the rolling front month is USD 16,770, with the May likely to open on this support. There may not be a Gartley pattern in play, but Elliott noted that wave fours often terminate around the higher timeframe wave four, which is USD 16,550. Easter holidays are coming, and the Freight complex is now at key support levels, if the futures are given it could be a messy close to the week!

Oil

OPEC this week, meaning all eyes are on Thursday. However, they have already agreed to revise down demand estimates for 2021 with a recommendation from OPEC Secretary– General Mohammad Barkindo that the coalition should remain very cautious (Bloomberg). With the corrective Elliott wave sequence looking complete and a potential bullish inverse head and shoulders pattern on the 1-hour chart, I think we can read between the lines and take an educated guess that they will not be turning on the taps this week. I'll probably be sitting here with Egg on my face, but the charts are suggesting accumulation, meaning I am not the only one taking this view.

Have a nice evening.

Ed Hutton

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