

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	27375	29875	9.1%
Cape Q2 21	26208	28416.5	8.4%
Cape Cal 22	17900	18350	2.5%

	Previous Close	Current Close	% Change
Pmx 1 month forward	18175	21125	16.2%
Pmx Q2 21	17925	20200	12.7%
Pmx Cal 22	13075	13475	3.1%

	Previous Close	Current Close	% Change
Smx 1 month forward	18100	20125	11.2%
Smx Q2 21	18150	19600	8.0%
Smx Cal 22	12200	12400	1.6%

	Previous Close	Current Close	% Change
Brent	63.67	66.74	4.8%
WTI	60.18	63.29	5.2%
Iron ore	166.14	166.5	0.2%

Data Source FIS and Bloomberg

Iron Ore

headline on the wire is the China must choose between inflation or pollution from steel, or they can just make less and import some. The May off-shore contract has pushed higher into the close with the futures trading just above the USD 167.57 resistance meaning we now target USD 169.33 on the daily chart and USD 172.44 weekly trend resistance on the symmetrical triangle. Technically it is a pennant with a USD 64.00 pole on it, I'm not suggesting we will rally USD 64.00 bucks is we broke out, but it could get lively!

Capesize

The index continues to produce small positive numbers but the futures now have a positive vibe. The bearish close yesterday had me concerned, however this has proved to be unfounded with the futures trading up to a new high today at USD 29,875. the new high bring with it a bullish lose and a very interesting scenario. The upside move that started on the 24/03/21 at USD 19,175 produced a 5 wave intraday pattern that effectively showed d phase completion on the market pullback to USD 27,000 yesterday. Now, there are two explanations 1) my count is wrong, the wave has extended on the 3 and is now on the wave 5. 2) we just started another intraday bull phase meaning this market could potentially have more legs to the upside and target our USD 30,700 level and potentially higher. Based on my calcs this look like a new phase as the chart still says the cycle completed even with the new data. Therefore we go bull.

Panamax

Buyers took control today with the futures moving nearly USD 3k higher, intraday price trading above the USD 21,000 Fractal resistance meaning we have made a higher high. This is a relief as it means are bullish Gartley pattern from last week looks to have been the correct call. To look at the bigger cycle you need to look at the rolling front Quarter to get an idea of the magnitude of this cycle, we have called this corrective move in the index as a wave 4, it looks to be a wave 4 of an extended wave 3 meaning downside moves should be considered as countertrend and this upside move looks to be a wave 5 of a wave 3. We target the USD 26,475 high.

Supramax

Yesterday we noted that the index had stopped going down with it being on a corrective wave 4 of an extended wave 3. today the index was up USD 100 which created some aggressive short covering in the market to move the futures USD 2,025 higher to put it USD 510 above the index. Like the Panamax we remain bullish with the belief we have the potential to make new highs based on the Elliott wave sequence. Upside moves above the USD 20,933 level would signal bullish impulse on the intraday suggesting this is unlikely wo be a wave B bull trap.

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Oil

Yesterday we noted that although in range there was a little bit of hope due to the technical holding a rising trend support (-61.8% the trend channel) we also noted it was hard to sell when OPEC had basically signaled they could easily reverse the decision to slowly produce more. Today we rallied hard, is this because we signaled hope, Alas no. Domestic crude inventories dropped 5.89 million barrels last week, the biggest drop in two months (Bloomberg). The futures are 5% higher having seen aggregate open interest climb yesterday. If the futures close above the USD 68.15 level then we will be back in the bull channel.

Have a nice evening.

Ed Hutton