

FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 31250 | 32250 | 3.2% | Pmx 1 month forward | 22625 | 22950 | 1.4% |
| Cape Q3 21 | 26875 | 26925 | 0.2% | Pmx Q3 21 | 18875 | 18925 | 0.3% |
| Cape Cal 22 | 18800 | 18675 | -0.7% | Pmx Cal 22 | 13775 | 13875 | 0.7% |

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 22300 | 22625 | 1.5% | Brent | 66.72 | 66.57 | -0.2% |
| Smx Q3 21 | 17700 | 17900 | 1.1% | WTI | 63.07 | 63.08 | 0.0% |
| Smx Cal 22 | 12650 | 12800 | 1.2% | Iron ore | 171.85 | 177.2 | 3.1% |

Data Source FIS and Bloomberg

Iron Ore

Having established last week that there had clearly been no attempt to curb steel production in China with the March steel production figures being the second highest ever, unsurprisingly we have seen a technical breakout to the upside with the May futures closing around the USD 178.00 level. The technical is now bullish on the back of the breakout, the fundamental must be bullish based on the steel output whilst margins at RMB 1,267, all of which would suggest that the May futures should test our USD 185.00 near-term target.

Capesize

The Cape index continues to creep higher with the current move greater in price and shorter in time than the previous wave. This would suggest that price and momentum are accelerating. For more information on the Capsize technical please follow the link. Capesize Technical Report 19/04/21 <https://fisapp.com/wp-content/uploads/2021/04/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-19-04-21.pdf>

Panamax

We noted last week that the technical is bullish but needs to see a momentum pullback soon. The futures continue to hold in bull territory with the index up USD 849 to USD 20,632, meaning the disparity between the May and the index has closed to USD 2,300. Friday and Monday have both closed higher but, we are seeing a momentum slowdown in price, warning we could enter back into a corrective phase soon. Positive and negative, the original corrective move had a 3-wave pattern, with the 3rd wave consisting of 5-waves. From a technical perspective that is an A, B, C corrective pattern that has completed. The negative is the 61.8% retracement level of the original 3 wave pattern is USD 23,870 which is a classic wave B pattern and an area of resistance now. This could of course be a longer drawn-out corrective phase, but we feel the intraday technical would suggest a bullish wave 5.

Supramax

I have the corrective phase on the index to complete around the 30/04/21—07/05/21, however the upside move in the futures would suggest that the index could be in the early stages of a bullish wave 5 already. Our technical view remains unchanged with the futures looking to be on wave 5 of an extended wave 3, this would suggest that downside moves should be considered as countertrend at this point. If however the index does trade below the USD 19,511 level then we remain corrective. Technically bullish, but conscious that the upside move has come earlier than we expected, making us a cautious bull.

Contd Page 2

FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Oil

President Biden will unveil his ambitious target this week to cut the nations climate warming emissions, whilst looking to refute critics who say it will put large numbers of American Jobs at risk with his administration focusing on 'clean energy means jobs' (Bloomberg). Other than this headline there is little news on the wire, Brent is now in a consolidation phase having moved higher on Wednesday. From a technical perspective the futures are now tracking the base of the bull channel with aggregate open interest leveling off. Price now needs to get back into the bull channel otherwise it will be vulnerable to a test to the downside.

Have a nice evening.

Ed Hutton