

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	35350	38250	8.2%	Pmx 1 month forward	21500	23375	8.7%
Cape Q3 21	27750	29000	4.5%	Pmx Q3 21	18900	20000	5.8%
Cape Cal 22	19225	19650	2.2%	Pmx Cal 22	13850	14300	3.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	23375	23775	1.7%	Brent	65.79	65.92	0.2%
Smx Q3 21	18500	19200	3.8%	WTI	61.97	62.39	0.7%
Smx Cal 22	13050	13300	1.9%	Iron ore	187.4	190.25	1.5%

Data Source FIS and Bloomberg

## Iron Ore

Platts iron ore index came in at USD 193.85, +2.40 today which looks to be an all-time high. New highs and blue skies ended abruptly when a headline came out from the CISA "In the next step, the iron and steel industry must take effective measures to increase the domestic and overseas development and mining in iron ore, improve the resource protection for the iron and steel industry, and put a lid on the continuously rising iron ore prices.". The May offshore contract had just traded through our USD 193.00 resistance to a high of USD 194.00 when the announcement came out, leaving the futures to drop USD 6.00 to USD 188.00. This could be a case of the CISA trying to talk the market down or it could be they are about to act, either way the odds of the market entering a corrective phase in the near-term as it takes some risk off are now increasing. More on this story will follow overnight but we expect to see some lower pricing on the unwind until they clarify their comments.

## Capesize

Yesterday we highlighted that the futures had a near-term upside target around the USD 39k level, but the futures would need to be physical led rather than sentiment, as the May contract and the index were at an equilibrium. A stronger physical saw the paper open USD 1,000 higher before the index came in up USD 2,106 to USD 37,453. Paper acted accordingly with the futures trading to a high of USD 38,875 here, with reports of a USD 39,000 print in the market. Up USD 3,150 today means that this move is bullish impulse meaning the wave 5 is extending, suggesting downside moves should be considered as counter-trend. If we push much higher within this phase it is possible that we will jump up a timeframe, meaning the move from the 20/04/21 will effectively become one wave, which in all probability will be an extended wave 3. Now this is speculation and not fact at this point, but it needs to be highlighted, currently an extending wave 5 but there is nothing stopping it jumping up a cycle. More of this on the morning technical when we see the fixings overnight.

## Panamax

The index remains in a corrective phase with it moving another USD 322 lower today, to USD 21,613. Yesterday we noted that in the opinion of FIS this move lower was corrective and not bearish. Today the Capesize market has brought support and stability to the Panamax sector with the May futures moving USD 1,875 higher, to USD 23,375. We believe that we are on a wave 5 of an extended wave 3, we also believe that having completed a lower timeframe cycle we would see the futures enter another bull cycle. The upside move today would suggest we could be right; however, the paper will need to lead the physical here, we now need to see a flat to bullish index otherwise the market might get a little spooked. The technical is willing, it just depends on the confidence of the owners now.

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## Supramax

The index is now tantalizingly close to making a new high. Up USD 233 today to USD 23,423 we are now within 36 bucks of making a new high. The slowing momentum in the index is making the paper nervous, meaning we have still not confirmed the bullish wave 5 at this point. We remain positive for the bull cycle and expect the futures to trade above the USD 24,500 level and the USD 24,875 level in the coming days, with the expectation that we cycle could fulfil its potential and trade to the USD 27,771 level. The caveat will be the roll, as that will knock USD 1,000 of the rolling front month chart and signal a corrective phase within my Elliott wave cycle. If we have not made a new high it will be wave 4 of this cycle, if it has then I will need to see high how we went to establish if we will enter another bull cycle.

## Oil

Very quiet on the wire today with little to talk about. However, IG index have one article on Bloomberg that could in effect be doing my job for me; on the WTI as they highlight a bullish symmetrical triangle on the daily chart. I have got to be honest I am seeing consolidation that has broken to the upside; I like the mentality of their bull continuation pattern as we have price tracking the rising trend line that is projected at minus 78.6% of the lower channel support. Do we make new highs? that really is a million-dollar question, come back and ask me if the futures have traded at USD 68.09.

Have a nice evening.

Ed Hutton