

FIS European Close

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| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 38250 | 39125 | 2.3% | Pmx 1 month forward | 23375 | 23950 | 2.5% |
| Cape Q3 21 | 29000 | 29500 | 1.7% | Pmx Q3 21 | 20000 | 20375 | 1.9% |
| Cape Cal 22 | 19650 | 19650 | 0.0% | Pmx Cal 22 | 14300 | 14525 | 1.6% |

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 23775 | 23200 | -2.4% | Brent | 66.6 | 67.35 | 1.1% |
| Smx Q3 21 | 19200 | 19125 | -0.4% | WTI | 63.01 | 63.94 | 1.5% |
| Smx Cal 22 | 13300 | 13375 | 0.6% | Iron ore | 190.25 | 187.3 | -1.6% |

Data Source FIS and Bloomberg

Iron Ore

The big news on the day on Bloomberg is that that China intend to remove tariffs on some steel imports From May 1st in its drive to cap steel production and carbon emissions. Import taxes on pig iron, crude and recycled steel will be cut to zero. Iron ore had dropped USD 7.00 yesterday on comments from the CISA yesterday and has proved surprisingly resilient today having held the USD 186.42 support. Imports will take time to filter through so the immediate effect will be limited. However, the technical looks like it has entered a corrective wave 4 of this phase, suggesting there is further downside to come in the near-term with Fibonacci support between USD 181 and USD 172.88.

Capesize

The cape index produced the highest print since Christmas 2013 as we continue on the biggest bull run in 8 years. For more information on the technical side of the market, please follow the link. Capesize Technical Report 28/04/21 <https://fisapp.com/wp-content/uploads/2021/04/FIS-4-PAGE-TECHNICAL-REPORT-CAPESIZE-28-04-21.pdf>

Panamax

The index needed to produce a momentum slowdown today and it has, up USD 311 to USD 21,924. If the index closes above the USD 22,056 then momentum will be seen to be improving based on price, this should then give the paper the support it requires. The May futures are up USD 450 today but has closed USD 50 below the open, meaning we have produced a Doji star, indicating the market is indecisive. This makes sense as the index needs to do more to convince the paper, which is trading at a USD 1,901 premium, with May about to price in. All eyes on tomorrow, any signs of bullish fixing on the physical and the paper could run again, if we do not get this, we could see the futures looking to close the disparity with the index.

Supramax

Momentum is slowing on the index, but continues to post higher numbers, we have now made the higher high that we have been calling for the last few weeks; however, the paper continues to taunt and remains in a corrective wave 4. We noted on the morning tech that a close below the USD 23,775 on the 4—hour candle would leave the intraday price and momentum aligned to the sell side, and this has resulted in a move lower. From a technical perspective, the futures have room to the downside due to the magnitude of the previous bull wave. The May needs to hold above the USD 20,094 level, if it does the technical is still considered as bullish; if it goes below this level the technical becomes neutral and questions will be asked about the bull cycle. At this point we maintain our view that this move is countertrend and not bearish.

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Oil

As noted on the morning report, an upside move in the Brent above the USD 66,81 level would target USD 67.05 then USD 68.08, the futures broke to the upside, trading to a high at USD 67.85. Little news on the wire relating to the black gold so it looks like the move is being driven by the technical. The intraday 1—hour technical is showing bullish price action (current open 60 min candle is currently looking like a bearish pin-bar, so that bit not great) but continues to remain below the USD 68.08 level. This is our key resistance and until broken we are not going to lose the run of ourselves. Brent is looking good, but we could be in for a U.S./Asian session pullback, needs to take out the USD 68.08 level to convince me it is going to run.

Have a nice evening.

Ed Hutton