

FIS European Close

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	Previous Close	Current Close	% Change
Cape 1 month forward	37250	36250	-2.7%
Cape Q3 21	33500	33250	-0.7%
Cape Cal 22	20825	20750	-0.4%

	Previous Close	Current Close	% Change
Pmx 1 month forward	25325	24450	-3.5%
Pmx Q3 21	23625	23125	-2.1%
Pmx Cal 22	16075	15875	-1.2%

	Previous Close	Current Close	% Change
Smx 1 month forward	26000	25125	-3.4%
Smx Q3 21	22250	21875	-1.7%
Smx Cal 22	14950	14925	-0.2%

	Previous Close	Current Close	% Change
Brent	69	66.95	-3.0%
WTI	65.72	63.53	-3.3%
Iron ore	#N/A	N/A	207.3 #VALUE!

Data Source FIS and Bloomberg

Iron Ore

Iron ore came under pressure today having traded to a high of USD 133.45 in the June futures yesterday. Futures were down over 8% at one point as systemic risk continues to grow due to the inflated prices. Demand is booming, margins are increasing and whilst exchange controls on trading limits have pushed the market lower today the tight supply/demand balance and rising factory gate prices would suggest it is not. For more on the technical side of the market please follow the link Iron Ore Off-shore 13/05/21 <https://fisapp.com/wp-content/uploads/2021/05/FIS-Technical-Iron-Ore-13-05-21.pdf>

Capesize

Having traded back up above the USD 45,250 high, the futures look to have entered a corrective wave 4 on the cycle that started on the 24/02/21. The long-term trend remains technically bullish meaning the downside move in the rolling front month contract are considered as countertrend. Now that we look to have seen wave-3 completion we can mark the Fibonacci support at USD 35,741, USD 32,296, and USD 27,991. From a technical perspective the futures remain in bullish territory above USD 27,991 whilst the index does above USD 27,333, this would suggest market sellers should not get too comfortable as wave analysis still points to the buy-side. From an open interest perspective we still see the market retaining a heavy build between the USD 30—35k area suggesting we could see market longs defend their positions in this area.

Panamax

The index made a new high to signal we could potentially be seeing the extended wave 3 complete, meanwhile the rolling front month futures equaled the USD 28,250 high from the 18/03/21 which has been our near-term upside target. In theory the minimum requirement for cycle/phase completion has been achieved. We now mark key support at USD 24,250 as price action below this level would create a lower low in the market, suggesting the technical is entering a corrective phase on a higher timeframe. We are in bullish territory but for this phase cycle that started on the 02/12/20 looks like it may have now completed.

Supramax

The Supramax index continues to produce positive numbers and is now at USD 25,113 (Up 150) however price has now traded to a high of USD 27,125 which is within our target zone for phase completion. The futures have corrected accordingly with price and index in equilibrium as the market looks to rebalance. The pullback in the June futures is now deep meaning the technical phase is neutral suggesting we could be in the early stages of a higher timeframe corrective phase.

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Oil

Oil continues to come move lower having produced a deep pullback two days ago. Inflation is today's headline which would be in line with much of the commodity complex regarding China's economic boo. We are breaking channel support so it could be an important close today. For more information on the technical please follow the link. FIS Technical – Brent June 21 13/05/21 <https://fisapp.com/wp-content/uploads/2021/05/FIS-Technical-Oil-Report-13-05-21.pdf>

Have a nice Evening.

Ed Hutton