

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	35750	38250	7.0%	Pmx 1 month forward	25750	26125	1.5%
Cape Q3 21	36500	38500	5.5%	Pmx Q3 21	25050	25800	3.0%
Cape Cal 22	21800	22000	0.9%	Pmx Cal 22	16525	16725	1.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	27250	28250	3.7%	Brent	65.11	66.63	2.3%
Smx Q3 21	25200	25800	2.4%	WTI	62.05	63.77	2.8%
Smx Cal 22	15775	16025	1.6%	Iron ore	200.97	191.63	-4.6%

Data Source FIS and Bloomberg

## Iron Ore

The futures continue to come under pressure with the Jun contract closing the week at USD 185. Minutes from the Federal Reserve meeting released on Wednesday indicated some officials may be open 'at some point' to discussing adjustments to the pace of massive bond purchase, if the U.S. economy keeps rebounding rapidly. Whilst in China the cabinet reiterated concerns about the rise in commodity prices, calling for more efforts to curb unreasonable gains (Bloomberg). Inflation is a key concern for the world's two largest economies, and it is becoming clear that the concern of rising inflation is making the markets nervous. Iron ore is lower for the third consecutive week, in Feb- March of this year it sold lower for four consecutive weeks. We have not seen 5 consecutive weekly closes since 2017, so the next 5 to 10 days could be crucial to the longer-term trend of the iron ore market. For the record we are still over 13% above the weekly 30 period EMA, suggesting there is still more downside to come in this move.

## Capesize

On the Capesize index our short-term moving average is at USD 32,115 with the index closing at USD 32,593, meaning market longs have the bullish close that they have been waiting for. The futures acted accordingly, with a USD 2,500 (7%) rise, to close the week at USD 38,250. USD 40,692 is the key resistance to follow, as above this level the bear wave is neutralized, suggesting we could test the USD 45,750 level. If this is the bullish wave 5 of this phase, then the June futures have a potential upside target at USD 53,051. With the index now USD 5,500 below the paper we are starting to stretch the disparity a bit, there is still room for this to stretch further, but with the bullish close on the index today we may see a momentum increase that the market is expecting.

## Panamax

A Doji yesterday and an inside day today are signaling a momentum slowdown in the paper. The trend remains technically bullish, but the index produced a negative figure today (- USD 141 to USD 24,357) which means the paper is acting cautiously as we need to see a close above USD 24,559 for momentum on the index to be seen to be improving based on price. The slowdown in the paper is having an adverse effect on the Panamax v Supramax spreads with Q3 at its 5-year average value whilst the June has broken support. For more information on the spreads please follow the link. Panamax v Supramax Technical Report 21/05/21 <https://fisapp.com/wp-content/uploads/2021/05/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-V-SUPRAMAC-21-05-21.pdf>

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## Supramax

The Supramax index continues to perform with our upside target at USD 28,009 still in play. Up USD 375 to USD 26,493 means price momentum remain steady, which has given the paper the opportunity to erase yesterday afternoon loss and close on its high at USD 28,250 high. The trend is technically bullish, and the paper is performing, however the intraday Elliott wave cycle has not produced a wave extension (at this point) meaning the technical does still look a little vulnerable.

## Oil

If oil does not come under pressure in the afternoon U.S session than brent could be in for good close. We look to be paring 3 days of losses, with the futures closing above the 55 period EMA, intraday price has made a higher high on the 4—hour chart meaning we now target USD 67.17. Prices remains under pressure due to the pending announcement on the Iran deal, however, good figures from the states relating to output in the manufacturing services has meant both oil and the greenback have rallied together. The daily is bearish, the intraday is bullish, so we will settle on a neutral view for now.

Have a nice Evening.

Ed Hutton