

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	31125	31825	2.2%	Pmx 1 month forward	26150	27500	5.2%
Cape Q3 21	32500	33500	3.1%	Pmx Q3 21	26025	27300	4.9%
Cape Cal 22	21750	22450	3.2%	Pmx Cal 22	16362.5	16850	3.0%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	26750	27750	3.7%	Brent	71.39	71.61	0.3%
Smx Q3 21	25750	26625	3.4%	WTI	68.93	69.31	0.6%
Smx Cal 22	15700	16075	2.4%	Iron ore	200.8	199.25	-0.8%

Data Source FIS and Bloomberg

Iron Ore

Brazil's Vale SA restricted iron ore operations surrounding a tailings dam near the scene of a 2015 disaster in an incident that may reignite supply concerns in a tight global market. The world's second-largest producer of the steelmaking ingredient halted rail transport servicing the Timbopeba plant, affecting about 33,000 metric tons of daily output (Bloomberg). July futures did move higher initially on the news alongside the weaker than expected U.S payroll figures which created a dollar basket sell off. However, having traded to a high of USD 203.65 the futures failed to hold and closed the week below the USD 201.71 resistance. A strong weekly close above the high of last week's low candle is warning that we have the potential for upside continuation next week.

Capesize

Something has got to give. The index is USD 1,169 lower at USD 20,933 whilst the July futures is USD 700 higher at USD 31,825. Having made a lower low at USD 29,125 in the July contract the futures caught a bid having rejected the 70 period EMA, leaving the intraday price and momentum aligned to the buy side into the close, the 4-hour technical has more to do but it is warning that expectations of a turnaround in the index are growing. We noted yesterday in the Q3 contract that oversold momentum and a Doji star were warning that the Q3 futures looked vulnerable to an upside move, this has proven to be correct with the futures closing USD 1,000 higher on the day. The futures look ready to move but need to see the index turn soon, otherwise the market could be vulnerable to some liquidation.

Panamax

14th of April 2021 we noted that the rolling front quarter (Q3) should trade above the 26,475 high, this has now been achieved having moved USD 8,200 higher. For more information on the technical please follow the link Panamax Technical Report 04/06/21 <https://fisapp.com/wp-content/uploads/2021/06/FIS-4-PAGE-TECHNICAL-REPORT-PANAMAX-04-06-21.pdf>

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Supramax

Yesterday we noted in the technical that the trend was bullish, with an upside move that closed above the USD 27,375 level suggesting the USD 28,250 high could be tested. However, from a technical perspective the futures have already achieved our upside target with the RSI in divergence above the USD 28,250 level, meaning that although the market is technically bullish it is not considered as a technical buy. This does not mean it will not go higher, it is just how the Elliott wave count is seeing the market at this point. The index is up today at USD 26,941 but needs to close above the USD 27,062 level for momentum to be seen as improving based on price.

Oil

Yesterday we noted that the intraday Brent futures had a neutral RSI and an oversold stochastic, suggesting we could see a test to the upside tonight/tomorrow. The futures traded lower until around 3.00 a.m. before catching a buyside move up to USD 71.76. Price looked like it was looking vulnerable to a technical pullback; however, a weaker than expected non-farm payroll put the U.S. dollar on the back foot, meaning oil traded to a high of USD 72.17. News on the wire 'Oil Set for Second Weekly Gain Amid Growing Summer Demand Hopes' (Bloomberg). It is worth noting that the new high has put the weekly technical in divergence with its RSI warning we could soon see a momentum slowdown soon.

Have a nice Weekend.

Ed Hutton