

FIS European Close

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| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|----------------------|----------------|---------------|----------|---------------------|----------------|---------------|----------|
| Cape 1 month forward | 31825 | 29125 | -8.5% | Pmx 1 month forward | 27500 | 26375 | -4.1% |
| Cape Q3 21 | 33500 | 32125 | -4.1% | Pmx Q3 21 | 27150 | 26225 | -3.4% |
| Cape Cal 22 | 22450 | 22050 | -1.8% | Pmx Cal 22 | 16850 | 16550 | -1.8% |

| | Previous Close | Current Close | % Change | | Previous Close | Current Close | % Change |
|---------------------|----------------|---------------|----------|----------|----------------|---------------|----------|
| Smx 1 month forward | 27750 | 27275 | -1.7% | Brent | 71.82 | 71.67 | -0.2% |
| Smx Q3 21 | 26625 | 26400 | -0.8% | WTI | 69.37 | 69.42 | 0.1% |
| Smx Cal 22 | 16075 | 16250 | 1.1% | Iron ore | 199.25 | 192 | -3.6% |

Data Source FIS and Bloomberg

Iron Ore

A strong weekly close on the DCE has not been enough to support the market to support the near-term price action with the price coming under pressure on the DCE for the 3rd consecutive day. Record prices are deterring market buyers, with May imports tumbling to their lowest level in a year (Bloomberg). Tangshan have also extended output restrictions resulting in both the on-shore and off-shore futures moving lower. For more information on the technical please follow the link Iron Ore Off-shore 07/06/21 <https://fisapp.com/wp-content/uploads/2021/06/FIS-Technical-Iron-Ore-07-06-21-1.pdf>

Capesize

Something had to give, and it has been the July futures which have sold off USD 2,700, to USD 29,125. We are seeing a momentum slowdown on the index, which was only USD 475 lower today, at USD 20,458. The futures have closed on their lows warning we could see some further downside continuation tomorrow; However, the intraday technical continues to show a positive divergence with the RSI, meaning that from a technical perspective the market is not considered a technical sell at this point. A close on the index above the USD 23,146 level would warn that momentum is improving based on price, Note, this level will drop tomorrow due todays momentum slowdown.

Panamax

The Panamax index continues to head north, but at a slower rate than in recent days. If the index closes below the USD 24,491 level it will be seen as being as back in a corrective phase. Early selling pressure in the Capes has had a knock-on effect in the smaller vessels with the futures closing USD 26,375 lower today, at USD 26,375. If the intraday 4—hour candle closes below the USD 26,000 then we could see a further weakening in price, as intraday longs look to exit, whilst a close below USD 25,750 on the daily technical would warn that the higher timeframe futures could look to test the USD 23,250 fractal support. The index is bullish but slowing down, whilst the July is trading at a USD 1,000 premium, suggesting market longs are right to be cautious.

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Supramax

We have the futures as technically bullish but not a technical buy, as our upside target for this phase has been achieved, a new high has the potential to create a negative divergence between the RSI and the July futures. The index remains resilient with price up another USD 135 today at USD 27,076. In contrast the July Futures have closed USD 475 lower at USD 27,275, with today's range within the body of Friday's range. This is known as an inside day, they signal a narrowing of volatility with a breakout from today's range of giving directional bias; However, we highlight some caution here as we are near the high of a bullish trend, the pattern is known as a bearish harami within Japanese candlesticks, it warns that the breakout could be to the downside.

Oil

Nothing on the wire today for Brent, fortunately we have a technical to give you some bedtime reading. Just in case it is too much of an effort to click on the link, the futures are in a bullish trend but in divergence, aggregate open interest is dropping warning of potential exhaustion. For more information, please click on the link Brent Daily technical 07/06/21 <https://fisapp.com/wp-content/uploads/2021/06/FIS-Technical-Oil-Report-07-06-21.pdf>

Have a nice evening.

Ed Hutton