

# FIS Technical Oil and Ore

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## Brent daily technical—Sep 20



Support	Resistance	Current Price	Bull	Bear
S1	42.36	44.65	RSI above 50	Stochastic overbought
S2	41.32			
S3	39.47			
R1	45.18			
R2	46.60			
R3	50.13			

### Synopsis - Intraday

- Price is above the 8–21 period EMA’s
- RSI is above 50 (61)
- Stochastic is overbought
- Technically the futures remain within the price gap with resistance at USD 45.18, making this the near-term upside target
- The trend itself is considered as bullish as the futures are making higher highs and higher lows. This is supported by momentum indicators which are above 50 whilst price is above the 8–21 period EMA’s
- Technically bullish price movement has been fairly limited in the last few weeks. The new high today means fractal support is at USD 42.36, downside moves below this level would create the first lower low in the market since 21-04-20. at this point the market would be considered as bearish
- Upside moves the trade above the USD 45.18 level and close the resistance gap, will find further resistance at USD 46.60—USD 50.13
- Momentum indicators are bullish but the RSI is showing a negative divergence warning that momentum dies have the potential to slow down on the new high

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## ***DCE Iron Ore Sep 20***

The futures are considered as technically bullish with price making higher highs and higher lows whilst momentum indicators are above 50, supporting the bullish trend.

Downside moves below the CNY 819 weekly pivot support would suggest the technical picture is weakening and below the CNY 807 level the futures will have made a lower low and be considered as corrective.

Having initially seen cycle completion on the 08-06-20 the futures produced a shallow pullback before moving into another bull phase. This has taken the longer-term trend into a wave 3 of the Elliott cycle. Wave 3's can never be the shortest wave, meaning that either this move has to trade above CNY 893, or the 5th and final bull wave will have to be shorter than the current wave 3, once it has completed.

Lower time frame analysis on the intraday chart puts us on a wave 5 (this is where it gets complicated) with a near-term target zone between CNY 850—CNY 877. Now the current intraday phase (40 min chart) is suggesting we could/should enter a corrective wave soon due to a momentum divergence. If the pullback is shallow it is likely to suggest we will remain in the current 3rd wave and remain in trend. If the pullback takes our momentum indicators into bearish territory then it would suggest wave 3 completion. In theory this should cap the upside 5th wave as it could not be longer than the wave 3.

What we do know is that the longer term trend is not ready to complete as open interest is beginning to build once again. Downside moves should for the time being be considered as countertrend moves as it at this point wave analysis is indicating there should be more upside waves within this cycle

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## DCE Iron Ore Sep 20



Support	Resistance	Current Price	Bull	Bear
S1	R1	851	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is below the 8–21 period EMA's
- RSI is below 50 (72)
- Stochastic is overbought
- Price is above the weekly pivot point CNY 819
- Having completed the previous bull cycle as highlighted on the chart the technical pullback that followed is regarded as shallow. It would also suggest that the longer-term trend is on an Elliott wave 3
- The futures are above the weekly pivot point the 8–21 period EMA's whilst making higher highs and higher lows.
- Technically bullish, wave analysis would indicate the futures are on an Elliott 5th wave on a **lower time frame**. The new high means the futures have completed the minimum requirement for cycle completion with an upside near-term target of CNY 850–CNY 877
- Downside moves below the CNY 819 weekly pivot point would indicate the futures have entered a corrective phase. Conversely, downside moves that hold above this level would remain in bullish territory

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