

# FIS Oil and Ore Intraday Morning Technical

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## Brent Oct 20 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	40.30	R1	41.73	RSI above 50	Stochastic overbought
S2	39.77	R2	42.07		
S3	38.87	R3	43.16		

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 40.30
- Previous days high/low USD 40.82 USD 39.39
- Downside moves would not have been considered as a technical sell due to the potential for a positive divergence with the RSI. Yesterdays breakout above the previous days high signalled buying pressure was increasing. However, we continue to remain within the range of the large bear candle from the 08-09-20 making USD 42.07 a key resistance level going forward
- Both the RSI is nearing 70 with the stochastic in overbought territory warning we could see a momentum slowdown soon. Downside moves below USD 41.04 would create a lower low on the 60 min chart warning of an intraday correction; however, the futures would be above the USD 40.30 daily pivot point keeping the intraday itself in bullish territory
- Ultimately the technical remains in the body of the candle from the 08-09-20 keeping the phase neutral. The current intraday is above the EMA's and pivot point but momentum would suggest we have the potential to enter a corrective phase soon making USD 41.04 a key support and USD 42.07 the key resistance

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## Iron Ore Offshore Oct 20 Morning Technical Comment – 240 Min Chart (rolling contract)



	Support	Resistance	Current Price	Bull	Bear
S1	119.19	R1	124.21	Stochastic oversold	RSI below 50
S2	117.85	R2	125.59		
S3	116.45	R3	127.17		

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price below the daily pivot point USD 124.12
- Price and momentum were conflicting on the last report with price needing to stay above the 125.34 support for a technical breakout to be confirmed. However, the upside move failed to hold onto gains with back withing its range the following day. The range breakout failed to hold. Crucially on the daily DCE technical from Friday the DCE has broken the CNY 809—CNY 805 support that had previously held four times. The DCE has produced a range breakout to the downside. If the DCE holds below the CNY 805—809 level (now resistance) then the offshore product is likely to experience selling pressure based on the DCE breakout
- Upside moves that fail at or below the USD 123.52 level remain vulnerable to further tests to the downside, above this level and the futures enter neutral territory
- The RSI and the futures are both making lower lows indicating momentum is weak, the oversold stochastic is oversold suggesting we could see some buying support between the USD 117,85—USD 116.45 support zone. From a technical perspective the 200 period MA at USD 116.45 is now a legitimate downside target
- The DCE has been bearish since the futures roll but had formed a range, this is now failing to the downside warning that the offshore product looks vulnerable

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