

## ***DCE Iron Ore Jan 21***

### **Synopsis**

A short note to highlight the downside breakout on the DCE iron ore. Having previously held four times the CNY 805—CNY 809 support has been broken, this should now act as a resistance zone.

On the last report we highlighted that open interest remained flat indicating a lack of accumulation distribution. This has changed with OI rising on the downside moves indicating fresh shorts have entered and continue to hold positions.

Price action the close above the CNY 805—CNY 809 level would put price back into its range but still be considered as bearish.

Technically bearish based on the Fractal footprint, the open interest build and the break in support.

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Support	Resistance	Current Price	Bull	Bear
S1	R1	796.5		RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

Chart Source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is below 50 (43)
- Stochastic is below
- Price is below the weekly pivot point CNY 841.5
- Technically bearish on the last report with a neutral spin as price has entered a range
- technical support between CNY 809–CNY 805 has been broken having held on the previous four occasions. This area is now considered a resistance zone
- Aggregate open interest is now rising with the downside move implying fresh sellers have entered the market and are holding onto their short positions
- Upside price action that can close above the CNY 805–CNY 809 level would put price back into its range. However price needs to trade above CNY 853 to be considered as bullish
- The RSI is below 50 with a bearish slope indicating momentum weakness
- Technically bearish with a range breakout in the direction of the trend supported by rising open interest