

FIS Oil and Ore Intraday Morning Technical

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Brent Dec 20 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	41.36	R1	41.96	41.80	Stochastic oversold	RSI below 50
S2	40.61	R2	42.71			
S3	39.26	R3	43.31			

Synopsis - Intraday

- Price is between the 8–21 period EMA's
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 41.96
- Previous days high/low USD 42.71–USD 41.36
- The futures pushed down to 41.36 before moving sideways for the balance of the session ,with price remaining below the daily pivot point for the rest of the session
- Price in now effectively on the daily pivot point and between the EMA's putting the intraday on a neutral footing. The RSI at 46 remains in bearish territory
- Downside moves that close below the USD 41.92 level on the hourly chart would imply the intraday technical is starting to weaken. However, the RSI slope is currently rising meaning that the RSI needs to close below 41 for momentum to support further downside moves at this point
- Upside moves that close above the USD 41.96 (on the 1 –hour chart) would put the intraday above the daily pivot point suggesting intraday price action is firming
- The intraday we looking overextended to the downside yesterday but subsequently pushed lower. Technically the intraday is conflicting between price and momentum at this point. Potential to produce a positive divergence below USD 41.36

Chart source Bloomberg

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



	Support	Resistance	Current Price	Bull	Bear
S1	116.10	R1	116.85	Stochastic nearing oversold	RSI below 50
S2	115.41	R2			
S3	113.22	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is below 50
- Stochastic is nearing oversold
- Price is below the daily pivot point USD 120.88
- Yesterday we highlighted the futures had entered a corrective phase with upside moves likely to produce a negative divergence. This has resulted in further downside price action that has traded below the USD 116.35 technical support, meaning the upside bull phase that started on the 23-09-20 is now neutral. This would also suggest that the futures could still be in an Elliott wave 4 on the daily technical. However, the initial downside move had stopped at the 50% Retracement level as highlighted in the daily technical which is a classic wave 4 support. From a technical perspective this opens up the possibility that the upside push was wave B of 4 and the market is now entering a wave C
- Upside price action above the USD 118.81 would indicate intraday price action is firming and above the USD 120.88 level the intraday would be above the daily pivot point. Price action now has to trade above the 121.50 level to be considered as bullish
- Intraday momentum is bearish with the RSI below 50, however it is worth noting the daily RSI and stochastic are both at 50 supporting a neutral environment
- Technically neutral based on the deep pullback and potentially this wave 4 is not complete. If price trades above the USD 121.50 level then the deep pullback is likely to be an anomaly and the technical should once again be considered as bullish

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