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FIS

Oil and Ore Intraday Morning Technical

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Brent May 21 Morning Technical Comment – 240 Min



Chart source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is above 50 (61)
- Stochastic oversold
- Price is below the daily pivot point USD 64.60
- The futures are below the 8—21 period EMA's with price below the daily pivot point indicating intraday weakness. However, the oversold stochastic is warning we have the potential for a momentum slowdown soon
- A different chart today as we wanted to highlight a behavioural pattern. It is not a classic inverse head and shoulders as the right shoulder is slightly lower than the left shoulder. However, this signals we may have been seeing an accumulation phase, the Aggregate open interest is not rising but it has flattened out suggesting market longs are matching any close out/short entries.
- The Second pattern is the Elliott wave correction forming three waves A, B, and C. Wave C is generally 5 waves as illustrated on the chart. Based on this pattern and the inverse head and shoulders the technical looks like it may have found a floor and could be preparing for further upside moves (logical thinking that the H&S pattern is similar to the Wyckoff spring)
- Downside moves below the USD 60.27 would make the Elliott wave correction and the H&S pattern obsolete

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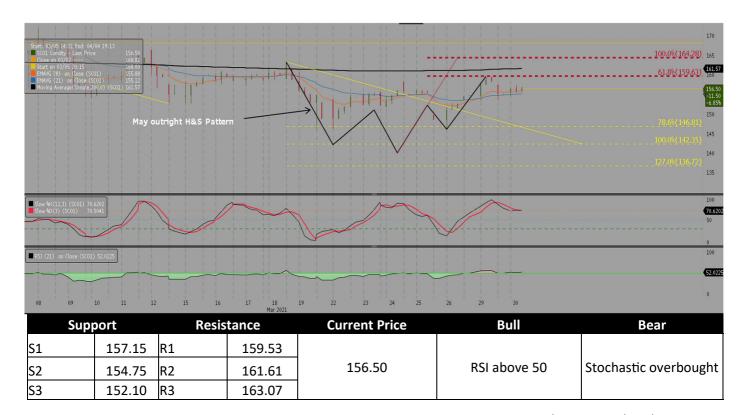
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Iron Ore Offshore April 21 Morning Technical Comment – 240 Min Chart (rolling contract)



Synopsis - Intraday

Chart source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point at USD 157.15
- The futures traded up to out USD 159.53 resistance before entering into a corrective phase
- Price and momentum is now conflicting with the RSI at 52 near neutral whilst the stochastic is overbought.
 Momentum is warning that we are vulnerable to a momentum pullback soon
- Countering momentum is a bullish head and shoulders pattern on the May futures (the chart is May via the rolling front month, however the May outright H&S pattern is illustrated). A neckline break above USD 152.10 has resulted in an upside moves that has traded to the 61.8% Fibonacci projection level of USD 159.58. The technical pullback has held above the USD 152.10 meaning we still have the potential to trade up to the 100% projection value at USD 164.20.
- Downside moves on the 4-hour candle that close below the USD 157.15 level with the RSI at or below the 52 level would mean intraday price and momentum is weakening. Likewise a close on the 4-hour candle above the USD 157.15 level would mean intraday price and momentum is aligned to the buyside targeting the USD 159.58 resistance or higher.

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