

FIS Oil and Ore Intraday Morning Technical

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Brent May 21 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear	
S1	67.84	R1	67.87	RSI above 50		
S2	67.51	R2				68.95
S3	67.05	R3				69.54
					71.66	

Chart source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- As previously highlighted the futures had made a higher high indicating we had a bullish 5—wave pattern. The corrective move lower did break our 66.81 support indicating a deep pullback and neutral technical, however the futures have traded back up to USD 68.92 putting the intraday technical back on a bullish footing
- Near-term resistance is at the USD 68.95 high, upside moves above this level will target the USD 69.54 resistance, but create a negative divergence with the RSI. The divergence will be marginal, if the divergence fails then it will change the Elliott wave footprint. At this point we have this as a bullish wave 5 (within a 5th wave) suggesting price exhaustion could be upon us; however if we break the divergence on the lower timeframe then this will suggest a bullish wave 3 on a higher timeframe and warn of upside continuation.
- On paper, this cycle is nearing exhaustion and should not jump up a cycle as we had no 5th wave on the move between 26/04/21 and the 29/04/21. However, this is wave theory and not Elliott wave fact making the lower timeframe divergence (44 min chart) key to the next directional move

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



Support		Resistance		Current Price	Bull	Bear
S1	183.33	R1	186.00	185.75	RSI above 50	
S2	181.77	R2	188.43			
S3	178.00	R3	189.46			

Chart source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point at USD 183.33
- On the last report we noted that we looked to be in a corrective wave 4 of a higher timeframe. Momentum was indicating we had the potential for a test to the upside which has been the case. The active contract has now rolled into June making this the expiry to follow on the rolling front month
- Upside moves that fail at or below the USD 189.46 level would warn that the technical remains vulnerable to further tests to the downside. Above this level the move is deep into the last bear wave, warning we could be in a bullish Elliott 5th wave with resistance at USD 194.00 and a potential upside target zone between USD 206.00—USD 210.00
- Downside moves that close on the 4—hour candle below USD 183.33 would mean intraday price and momentum would be aligned to the sell side (currently neutral)
- Downside moves that trade below the USD 172.88 level would take the longer-term trend into a neutral phase

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