

FIS Iron Ore Offshore

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Iron Ore Oct 21 (rolling front month)



Support		Resistance		Current Price	Bull	Bear
S1	95.04	R1	118.23	113.60		RSI below 50
S2	86.77	R2	126.95			
S3	78.50	R3	138.77			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8 - 21-period EMA's
- RSI is below 50 (39)
- Stochastic is above 50
- Previously we highlighted USD 110 as a potential downside target. The futures traded USD 23.00 lower to achieve the target, however price then sold off a further USD 20.00 to a low of USD 90.00 on the back of restriction curbs and Evergrande interest issues
- The trend remains technically bearish with price at the base of our Fibonacci resistance zone. Key resistance on the daily technical is at USD 138.77, upside moves that fail at or below this level remain vulnerable to further tests to the downside, above this level the pullback is considered as deep into the last bull wave meaning the technical will have a neutral bias
- The RSI is below 50 with the stochastic at 60, if the stochastic moves above 70 then the futures will become vulnerable to a test to the downside
- Elliott wave analysis would suggest we have another test to the downside to come. This would indicate that the current upside move is considered as countertrend. Yesterdays candle close looks like a bearish Harami pattern, the USD 110.15 low did breach the previous days low but it is still warning of a potential downside move to come.
- Technically bearish and vulnerable to further tests to the downside.

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