

FIS Oil and Ore Intraday Morning Technical

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Brent Jan 22 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	75.60	R1	79.44	77.83	Stochastic oversold	RSI below 50
S2	74.58	R2	80.12			
S3	73.56	R3	81.04			

Chart source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (19)
- Stochastic is oversold
- Price is below the daily pivot point USD 82.18
- The downside move is not technically related, the market is risk off due the emergence of the South African virus mutation. Oil base, and steel sectors have all come under pressure whilst the market awaits for a response from the WHO on whether it is a variant of concerns. Gold is rallying as the market loos to seek a safe haven, illustrating the general nervousness of being a commodity long at this point.
- From a technical perspective the downside move on the daily chart has created a lower low, signalling we have the potential for further downisde continuation. This also brings into question the Elliott wave cycle as it is a psychological footprint of the market, the emergence of this variant has to make the cycle irrelevant, or certainly less relevant
- The support levels above our based on weekly volatility levels suggesting we have probably seen the bulk of the downside move today
- Resistance starts at USD 79.44 with price vulnerable below 81.04

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



Support		Resistance		Current Price	Bull	Bear
S1	95.25	R1	99.36	95.45	Stochastic oversold	RSI below 50
S2	93.93	R2	100.65			
S3	92.64	R3	102.39			

Chart source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point at 101.25
- The steel and base complex have both come under further pressure overnight after concerns over a weakening economy in China and the emergence of a new virus variant from South Africa. Market longs are going risk off which is forcing stops to be activated in the market. The Dec futures have dropped 10.2% in the last 2 trading session and remain in a corrective phase having initially rejected EMA resistance on the daily chart. The intraday futures are below the 8-21 period EM's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- Key support remains unchanged at USD 92,64, corrective moves below this level will be considered as deep, the technical will still be considered as neutral bullish; however it would warn that the probability of the next bull wave failing to make a new high have increase
- A close on the 4-hour candle above USD 96.68 would warn that momentum is improving based on price whilst a close above USD 102.25 with the RSI at or above USD 58.5 would mean intraday P&M are aligned to the buyside
- Technically bullish neutral, the longer period EMA's (30-60) are now flat, indicating the 4-hour trend is no longer stable, price will need to hold the USD 92.64 support otherwise we could see further selling pressure

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