

FIS Iron Ore Offshore

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Iron Ore December 22 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear	
S1	79.81	R1	86.05	Stochastic oversold	RSI below 50	
S2	76.30	R2				90.16
S3	70.41	R3				92.80

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- On the last daily report back in October we noted that the technical was bearish with the moving averages suggesting the trend was stable. However, due to a series of divergences between price and the RSI the futures were not considered a technical sell. We did break to the downside resulting in divergence failure with price trading to a low of USD 76.30, before moving higher. The futures are below the 34-55 period EMA's with the RSI below 50, but near-term momentum is to the buyside.
- Upside moves that fail at or below UD 90.16 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. (This differs from the intraday resistance at 89.01 due to the fractal analysis). Likewise, downside moves that fold at or above USD79.81 will support a near-term bull argument, below this level we target the USD 76.30 low.
- The technical is bearish, based on intraday wave analysis and the daily RSI making new lows the current upside move looks to be countertrend. The driver this week has been media speculation that China could soon reduce restrictions, if they do the wave cycle could fail. Until they do, or unless the technical tells us something different, the upside move is considered as countertrend.

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