

FIS Iron Ore Offshore

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Iron Ore April 23 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	124.80	R1	131.65	128.75	RSI above 50	
S2	123.59	R2	139.59			
S3	119.45	R3	145.77			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (68)
- Stochastic is above 50
- Price is above the weekly pivot point (USD 125.30)
- Technically bullish, the corrective move lower has held the EMA support band, resulting in the futures moving higher. The RSI is above 50 with price above the weekly pivot point.
- The downside move below USD 123.59 meant that the technical had a neutral bias based on the depth of the pullback; however, the upside move above the USD 127.95 fractal resistance and the USD 128.13 Fibonacci resistance yesterday means that the technical is back in bullish territory. Only below USD 119.45 is the technical bearish.
- We look to be on a bullish impulse Elliott wave 5, meaning we have a potential upside target using the William's approach as high as USD 151.98. However, the USD 131.65 high on the 21/02 means that the minimum requirement for cycle/phase completion has been met, this also means that the RSI is in divergence with price. Not a sell signal, it does warn that we have the potential to see a momentum slowdown, and will need to be monitored.
- We are a cautious bull, partly to do with the divergence that is in play, but mostly to do with the regulatory authorities saying that they intend to take measures to stop the unreasonable rise in iron ore prices. That is outside of the technical remit, if left to its natural course we would be targeting the USD 151.98 level.

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