

FIS Iron Ore Offshore

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Iron Ore April 23 (rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	123.54	126.35	RSI above 50	
S2	122.47			
S3	121.02			
	R1	127.78		
	R2	129.66		
	R3	132.85		

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 121.43)
- We noted on the last report that the downside move below USD 119.45 meant the bullish Elliott wave cycle has completed, the technical had entered bearish territory. The intraday technical was now showing a positive divergence, warning we have the potential to see a test to the upside. However, the intraday move lower was a 5-wave pattern, indicating the next move higher was likely to be a countertrend wave B, making USD 127.78 the key resistance to follow. The futures did see a move to the upside with the futures trading above the EMA resistance band and the weekly pivot point, supported by the RSI above 50.
- Upside moves that fail at or below USD 127.78 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 132.85 is the technical bullish.
- The futures are now approaching our key resistance level at USD 127.78, if broken the pullback is considered as deep, this will bring into question the bearish wave cycle; however, at this point key resistance remains in place, meaning the futures remain vulnerable to a test to the downside. The new high today has created a negative divergence with the RSI in the intraday 1-hour chart, warning momentum on the lower timeframe is showing signs that it could be slowing down. The MA on the RSI is flat but has not yet turned bullish, at this point we maintain our view that the futures are still vulnerable to a move lower; however, if we do trade above USD 127.78 the technical becomes neutral and should be treated with caution.

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