

FIS Iron Ore Offshore

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Iron Ore May 23 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	104.03	R1	108.10	Stochastic oversold	RSI below 50
S2	94.74	R2			
S3	87.42	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is above the weekly pivot point (USD 117.12)
- The intraday futures entered back into bearish territory yesterday; however, we had a positive divergence in play that suggested caution on the downside move. We have seen a significant move lower in the Asian day session, meaning the divergence has failed, this now has bearish implications going forward. Price is below the 34-55 period EMA's and the weekly pivot point with the RSI below 50.
- Upside moves that fail at or below USD 115.19 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 119.20 is the technical bullish.
- The breakdown in the futures overnight and the subsequent divergence failure indicates we are seeing a wave C extension to the downside. This means that the intraday 5 wave pattern lower, and the following upside move to a new high that we have highlighted on the morning charts, are part of a higher timeframe bearish impulse move (I.E. the five wave lower is now wave 1 of a larger cycle, the intraday upside move is wave 2). An Elliott wave C consists of 5 waves, we are currently on wave 3, meaning upside moves are considered as countertrend at this point.
- Technically bearish, with wave analysis implying that upside moves should be considered as countertrend, the MA on the RSI continues to move lower implying momentum remains weak, making USD 115.19 the key resistance to follow at this point.

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