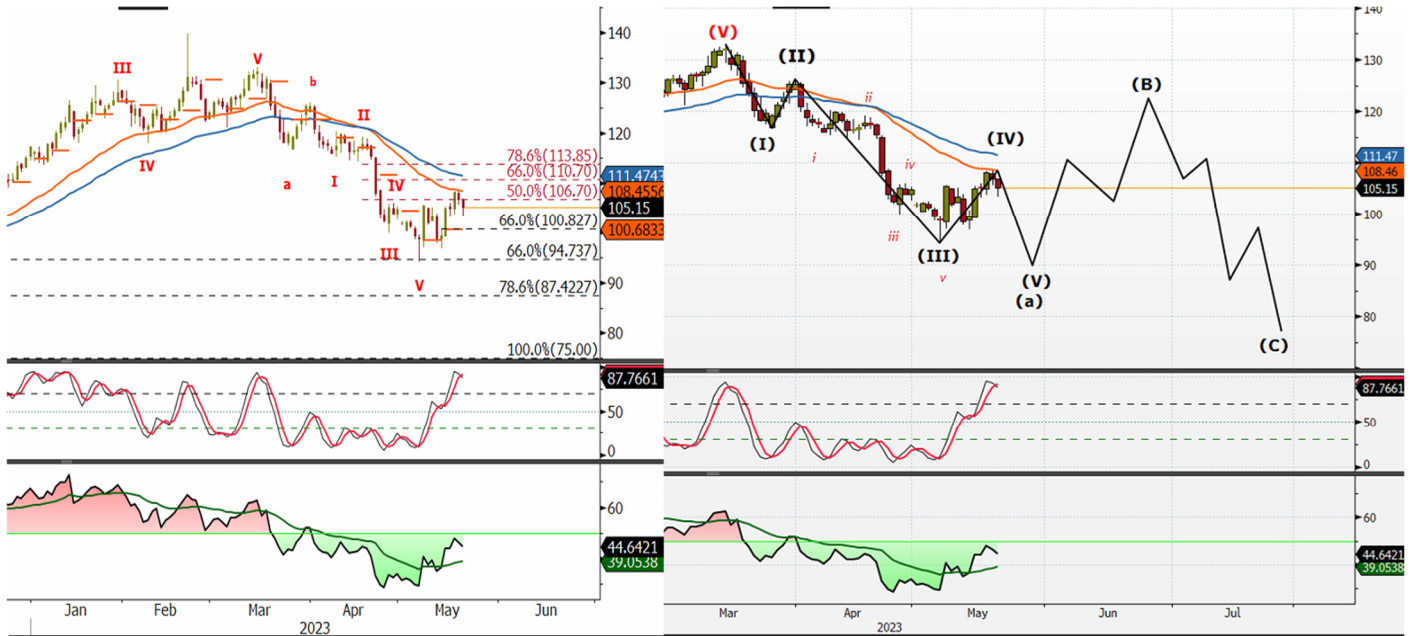


FIS Iron Ore Offshore

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Iron Ore June 23 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	100.82	R1	106.70	105.15		RSI below 50
S2	94.73	R2	108.40			
S3	87.42	R3	110.70			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (44)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 100.68)
- We noted last week that the futures had potentially completed the corrective wave C on the back of the 5-wave pattern lower, this has been followed by a USD 7.00 higher. The upside move above USD 106.00 means the technical is bullish based on price. The futures have rejected the USD 108.40 Fibonacci level resulting in price moving lower. We remain below the EMA resistance band with the RSI below 50.
- Downside moves that hold at or above USD 100.82 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 96.90 is the technical bullish.
- You will have seen in the morning reports that the technical is subjective at this point, this is because the intraday technical on the 80 min chart has a negative divergence in play, having rejected the USD 108.40 resistance on a 3-wave pattern higher. This is a warning we could still see a move to new lows. The chart on the left highlights the A, B, C correction with a 5-wave pattern lower, as highlighted in last weeks technical. The Chart on the right shows an alternative scenario, where the 5-wave pattern lower is part of an extended wave 3, within a larger wave A. This scenario will come into play if we trade below USD 94.20. If it does, then the following upside move would be a counter-trend wave B of a larger corrective cycle.
- We are bullish based on price, but there are warning signs that this move higher could potentially be countertrend. It is too early to call the directional bias of the longer-term trend, due to the divergence appearing on the upside move in the intraday technical, it could be that this becomes one leg of a larger bull cycle, or it could be wave 4 of wave A. For this reason, we are going to remain neutral until the technical is clearer.

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