EMISSIONS | OIL | <mark>FERROUS</mark> | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT |



Iron Ore Offshore Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Iron Ore Offshore July 23 Morning Technical Comment – 240 Min Chart



Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (61)
- Stochastic is below 50
- Price is below daily pivot point USD 109.67
- Technically bullish based on price yesterday, we remained cautious on upside moves as we looked to be a countertrend Elliott wave B. The MA on the RSI had started to turn lower, warning momentum was starting to weaken, meaning support levels could come under pressure. The drop in DCE open interest also warned that market longs are starting to exit. Not really at technical move higher this morning as the move was driven by the surprise rate cut in China. The futures have held the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.

Chart source Bloomberg

- A close on the 4-hour candle below USD 109.67 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 101.23 will support a near-term bull argument, below this level the USD 94.00 fractal low will be vulnerable. Likewise, upside moves that fail at or below USD 119.70 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical is bullish based on price with the support band holding yesterday, before the move higher today. Upside moves above USD 113.75 will create a negative divergence with the RSI, not a sell signal it will warn we have the potential to see a momentum slowdown and need to be monitored. Elliott wave analysis continues to suggest that upside moves should be considered as countertrend.
- Just a little observation. The aggregate open interest is a little lower today on the DCE. This would suggest that on the move higher, for every fresh long entering the market on the rate cut, there was an existing long selling out of their position. The drop in open interest means that more traders closed positions than opened. If we continue to move higher and open interest continues to fall, then it will warn that the upside move could be nearing exhaustion.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>freightinvestorservices.com</u>