

FIS Iron Ore Offshore

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

Iron Ore July 23 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	106.20	R1	113.52	113.30	RSI below 50	Stochastic overbought
S2	103.87	R2	119.77			
S3	100.71	R3	124.69			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 109.71)
- On our last daily technical report we noted that the move higher could potentially be countertrend, for this reason we had two charts highlighting the different Elliott wave scenarios on the last technical. The futures did trade to a new low, meaning the technical is following scenario B from the last report (this was left-hand chart). Having traded to a new low (USD 94.00) the futures are now seeing strong buy-side support, if our Elliott wave analysis is correct, then this upside move looks to be a countertrend wave B, of a larger corrective cycle. Price is now above the EMA resistance band with the RSI above 50.
- Upside moves that fail at or below USD 119.77 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 100.71 will support a near-term bull argument, below this level we target the USD 94.00 low.
- The technical is bullish based on price having made a higher high; however, as already highlighted, our Elliott wave analysis is bearish, suggesting the current upside moves look to be countertrend, making USD 119.77 the key resistance to follow in the near-term. The MA on the RSI is implying that momentum is supported in the near-term; however, countering this, the intraday RSI is in divergence with price, warning we have the potential to see a momentum slowdown. For this reason, we are cautious on this upside move, it still has the potential to move a few dollars higher, but we are becoming more vulnerable to a corrective wave C lower.

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 www.freightinvestorservices.com