

# FIS Iron Ore Offshore

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## Iron Ore July 23 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	106.20	R1	109.80		RSI below 50
S2	103.87	R2			
S3	100.71	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is on the 34 - 55-period EMA's
- RSI is above 50 (50)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 109.22)
- Technically bullish on the last report having made a higher high. Our Elliott wave analysis had suggested that the current upside move looked to be a countertrend wave B, making USD 119.77 the key resistance to follow. Momentum had been conflicting previously as the MA on the RSI suggested momentum was supported whilst the intraday RSI was in divergence, warning we could see a momentum slowdown. For this reason, we were cautious on upside moves. In theory both momentum signals appear to have been correct, the futures have failed to trade higher but remained support, resulting in price consolidating. We are now trading on the 34-55 period EMA's which are flat, whilst the RSI is neutral at 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 (Unchanged).
- The RSI has rejected a resistance zone which has previously resulted in the futures moving lower (Mar 22 and Mar 23), the RSI is now below its MA which is turning lower, warning that buyside momentum is starting to weaken. Flat EMA's and a neutral RSI would suggest there is a lack of directional bias in the market, warning we could be in a transitional phase. Our Elliott wave analysis continues to suggest that this upside move looks to be a countertrend wave B; however, the futures are proving to be more resilient than we expected. We remain cautious on upside moves at this point as the futures remain vulnerable to a move lower.

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