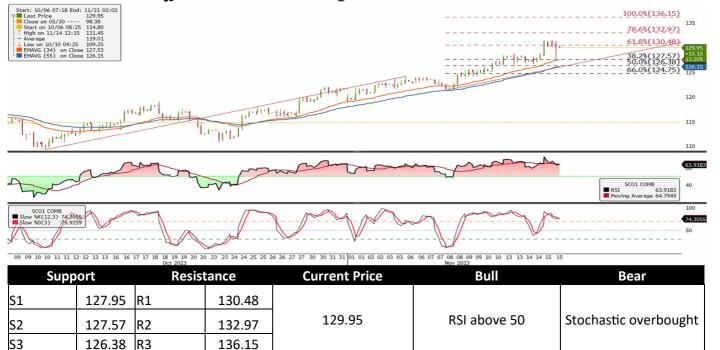
<u>EMISSIONS | OIL | FERROUS</u> | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT



## **Iron Ore Offshore Intraday Morning Technical**

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

## Iron Ore Offshore Dec 23 Morning Technical Comment – 240 Min Chart



## Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (63)
- Stochastic is below 50
- Price is above the daily pivot point USD 127.95
- We remained bullish yesterday with intraday Elliott wave analysis suggesting we had the potential to trade as high as USD 130.48 within this phase of the cycle. However, the RSI pullback previously meant that a move above USD 128.80 would create a negative divergence with the RSI. Not a sell signal, it warned that we had the potential to see a momentum slowdown which needed to be monitored, implying caution on upside breakouts. Key support remained unchanged; a move below USD 123.85 would mean that the probability of the futures trading to a new high would start to decrease. The futures moved higher on the back of another round of stimulus from the Chinese Government, resulting in the divergence failing, our upside target at USD 130.48 target has now been achieved. Price is above all key moving averages supported bey the RSI above 50; however, due to a small pullback, price and momentum continue to conflict.

Chart source Bloomberg

- A close on the 4-hour candle below USD 127.95 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 67 will mean it is aligned to the buyside. Downside moves that hold at or above 124.75 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish having achieved our upside target, we now have further resistance at USD 132.97 and USD 136.15. The MA on the RSI is flat with price and momentum conflicting, warning we are seeing signs of a momentum slowdown. A close on the 4-hour candle below USD 128.45 will be below the low of the last dominant bull candle, warning support levels will start to look vulnerable. A move below USD 124.75 will mean that the pullback will be considered as deep into the last bull wave, indicating that the probability of the futures trading to a new high will start to decrease.

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>