



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



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 129.97 | R1 | 136.15 | RSI above 50 | Stochastic overbought |
| S2 | 129.21 | R2 | 140.16 | | |
| S3 | 127.70 | R3 | 143.57 | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (66)
- Stochastic overbought
- Price is above the daily pivot point USD 129.97
- We remained bullish with the MA on the RSI continuing to suggest momentum is weak yesterday, despite the RSI being above the MA. Upside moves above USD 131.45 would create a negative divergence with the RSI, not a sell signal, it was a warning that we could see a momentum slowdown on a new high, suggesting caution on upside breakouts. The move higher today is outside of the technical, in the sense, support levels had previously been vulnerable previously before the announcement of financial support. However, the technical did still suggest caution on upside moves. The futures have continued to move higher on the back of the stimulus anticipation regarding the financial boost to developers. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 129.97 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 125.65 will support a bull argument, below this level the technical will have a neutral bias.
- The futures have traded to a new high on the stimulus anticipation. We noted two weeks ago that there was the possibility of this Elliott wave cycle extending, if price levels stayed elevated for long enough, this is now the case. In the near-term the futures remain in divergence, with the MA on the RSI now suggesting momentum is supported, causing a conflict, but warning we could see a momentum slowdown. However, downside moves should now be considered as countertrend, as the psychological footprint of the market (Elliott wave), now suggests there is a larger bull cycle in play. This also means that the longer-term cycle remains bullish above USD 118.66. Obviously, if we see intervention regarding the high pricing of iron ore from the Chinese authorities, the psychological footprint could change, meaning the cycle could fail. But for now, we are bullish.

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 freightinvestorservices.com