

FIS Iron Ore Offshore

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Iron Ore Jan 24 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	133.69	R1	138.25	RSI above 50	Stochastic overbought
S2	132.25	R2			
S3	130.23	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 135.60)
- The futures had traded to a new high on the last report with our Elliott wave analysis suggesting we had the potential to trade as high as USD 141.99. However, the new high meant that the futures were in divergence with the RSI, not a sell signal it warned that we could potentially see a momentum slowdown. A cautious bull as upside moves above USD 136.20 could struggle to hold. We Noted that if we do see a strong impulse move higher, then it could result in an intraday Elliott wave extension to the upside. The futures initially struggled to hold above the USD 136.20 level with price trading back to USD 130.70; however, we have found support above the 34-55 period EMA with the RSI holding above 50, resulting in price trading to new highs.
- Downside moves that hold at or above USD 130.23 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 126.00 is the technical bearish.
- Technically bullish with price holding above trend support, based on intraday Elliott wave analysis, we have a potential upside target at USD 141.94. The new high has created a negative divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown. We have also highlighted on the chart that the RSI is now approaching a resistance zone. A close on the daily candle below USD 134.02 will warn that momentum based on price is starting to weaken, meaning we could see the USD 130.23 level come under pressure. We are bullish and in trend, however, the divergence and RSI resistance suggest caution at these levels.

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