

FIS Iron Ore Offshore

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Iron Ore Mar 24 (rolling Front Month)



| | Support | Resistance | Current Price | Bull | Bear | |
|----|---------|------------|---------------|------|--------------|--------|
| S1 | 125.13 | R1 | 125.60 | | RSI below 50 | |
| S2 | 121.95 | R2 | | | | 139.44 |
| S3 | 117.90 | R3 | | | | 143.50 |

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (41)
- Stochastic is above 50
- Price is below the weekly pivot point (USD 129.01)
- Technically bearish with price moving higher on the intraday divergence on the last report. The MA on the RSI continued to suggest that momentum remained weak, with our Elliott wave analysis suggesting upside moves should be considered as countertrend, making USD 137.05 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease, warning the USD 143.50 fractal high could come under pressure. This was based on the move lower consisting of a 5-wave intraday move, implying it was a bearish impulse corrective wave A, which in turn should be followed by a countertrend wave B (move higher). The futures had opened on the trend resistance, if we closed above it (currently USD 129.65), then we could see resistance levels come under pressure. We had also noted in the morning report that the weekly candle was trading back above its 200-period MA; what was initially a bullish rejection candle that morning, which closed as a Doji cross (above the average), implying indecision in the market. A move above that closes above the high of this candle (USD 131.50), would again warn that we could be entering the Elliott wave B. There were warning signs that we could see a move to the upside, which could put the USD 137.05 resistance in focus. If we failed to close above the trend resistance, then support levels would remain vulnerable. We did get the move higher with the rolling front month trading to a high of USD 137.00 (note, the Feb did briefly break this level just as we rolled), before entering back into a corrective phase. We are back below the EMA resistance band and the weekly pivot level whilst the RSI is below 50.
- Upside moves that fail at or below USD 137.05 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish having rejected key resistance, the MA on the RSI is now flat, warning momentum is neutral. The futures are trading below the weekly 200-period MA (USD 127.72), if we close below and hold below the average it will warn that we could see further technical weakness. Likewise, if we close above and hold above it, then it would suggest that there is higher timeframe support in the market. Lower timeframe Elliott wave analysis would suggest that upside moves should be considered as countertrend at this point.

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