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



Iron Ore Offshore Intraday Morning Technical

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

Iron Ore Offshore April 24 Morning Technical Comment – 240 Min Chart



Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 106.10
- We noted yesterday that the technical could be about to get very complex yesterday, as the path was becoming unclear. In theory, we had an A B corrective move, followed by a five-wave pattern lower, this was C (This cycle is highlighted in red on the chart). This suggested that the technical was nearing exhaustion point, meaning the corrective phase (bear) could soon be over, suggesting market bears should be cautious. However, we highlighted an alternative much larger cycle in black, that could come into play if an upside move failed to trade above the USD 125.46 level and was then followed by the futures trading to a new low. If this happened, then what we had seen so far could be part of a much larger timeframe wave A. We were not suggesting this could happen, but it was a possibility that we wanted to highlight now, rather than later. The reason we were highlighting it was because aggregate open interest had been increasing since 08/02/24, implying the market had built and continues to build a short position. In the very nearterm, we were still vulnerable to a small move lower, but we were in divergence on multiple time frames with the futures nearing an exhaustion point, meaning we are cautious on downside moves at these levels. It was highlighted to me yesterday that although the aggregate OI was short, the May apparently has seen an OI build. The futures have seen a small move lower, meaning we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.

Chart source Bloomberg

- A close on the 4-hour candle above USD 106.10 with the RSI at or above 35.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 112.60 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain in a bearish trending environment; however, due to the lower timeframe RSI being in divergence, we maintain a cautious view on downside moves at these levels.

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>