

FIS Iron Ore Offshore

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

Iron Ore April 24 (rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1: 98.16	R1: 103.77	98.20	Stochastic oversold	RSI below 50
S2: 92.95	R2: 112.53			
S3: 86.37	R3: 117.17			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (27)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 103.77)
- Technically bearish last week, we noted that a move below USD 111.95 would create a positive divergence with the RSI, not a buy signal it warned that we could see a momentum slowdown. Wave analysis suggested that we could trade as low as USD 102.27 within this phase of the cycle. We highlighted that the technical could be at an inflection point, as we were on wave 5 of the wave C, meaning this was potentially the last phase of the bearish cycle. However, I illustrated an alternative pattern on the chart, one that implies that there could be much larger Elliott wave correction in play. It was too early to tell, we noted that those with a longer-term fundamental view may have already known the answer to this, for me it would become apparent in the next few waves. We wanted to highlight this alternative, so that there were no unwanted surprises going forward. The futures have continued to sell lower within the existing wave, with price trading below our downside target of USD 102.27. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or above USD 123.45 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We gave an excellent example of what could happen within the Elliott wave cycle last week. However, what I didn't account for was a significant move below our existing downside target; as this has created a wave extension within the existing cycle, without any form of technical pullback. Based on the cycle information in front of us, the wave extension means that what looked to be 1 to 5 of C has in fact turned out to be 1 to 3 of C by virtue of our oscillators making new lows. This means that upside moves should now be considered as countertrend, as the positive divergences have all failed.

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 www.freightinvestorservices.com