

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	105.18	R1	109.05		RSI below 50
S2	98.16	R2			
S3	92.95	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 105.18)
- We had previously given an example of what could happen within the Elliott wave cycle last week. However, what we didn't account for was a significant move below our existing downside target; as this had created a wave extension within the Elliott wave cycle, without any form of technical pullback. Based on the cycle information in front of us, the wave extension looked to be on wave 3 of C, by virtue of our oscillators making new lows. This meant that upside moves should now be considered as countertrend, as the positive divergences had all failed. The futures traded to a low of USD 97.00 before moving higher. Price is below all key moving averages with the RSI below 50.
- Upside moves that fail at or above USD 123.30 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with the upside move looking like they should be countertrend based on our Elliott wave analysis. If we do trade above the USD 111.23 level it will warn that we are potentially entering a higher timeframe corrective phase, meaning key resistance will move up to USD 123.30. The MA on the RSI is now starting to turn higher, implying momentum indicators are showing light bid support, warning resistance level could potentially come under pressure in the near-term. We have opened the afternoon session above the weekly pivot level (USD 105.18), which has resulted in intraday bid support. If do close below the USD 105.18 level, it will mean that sell side pressure is increasing, warning that the USD 97.00 fractal low could come under pressure.

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