



Iron Ore Offshore Intraday Morning Technical

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

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



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 116.42 | R1 | 119.45 | RSI above 50 | |
| S2 | 111.57 | R2 | 127.15 | | |
| S3 | 109.06 | R3 | 133.21 | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (64)
- Stochastic is below 50
- Price is above the daily pivot point USD 116.42
- Technically bullish yesterday, lower timeframe oscillators (RSI) were in divergence, not a sell signal it warned that we could see a momentum slowdown, which needed to be monitored. We noted that the technical was in balance, as the futures were no longer considered a technical buy at these levels, warning we are vulnerable to a pullback. However, if we remained elevated there was still a chance that the wave cycle could extend, as the lower timeframe oscillator cross was marginal. Based on the technical in front to us, the divergence suggested caution. Downside moves that held at or above USD 102.91 would warn that there is potentially a larger bull cycle in play. The futures corrected in the Asian evening session before moving higher again today. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 116.42 with the RSI at or above 64 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 61.5 will mean that it is aligned to the sell side. Downside moves that hold at or above USD 111.57 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have held above the USD 111.57 support, warning that we could tests and break the USD 117.50 fractal high. However, this will create a negative divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown, implying caution on upside breakouts. Note: the DCE futures are rising whilst aggregate open interest is dropping, indicating the upside move is on the back of short covering. If we see a pullback followed by an upside move with rising open interest, it will warn that longer-term sentiment is changing to the buy side. On the offshore contract, this means that USD 102.91 is the longer-term key support to follow, as corrective moves that hold at or above this level will warn that there is potentially a larger bullish Elliott wave cycle in play.

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 freightinvestorservices.com