



# 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	R1	116.10	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (61)
- Stochastic is above 50
- Price is above the daily pivot point USD 115.97
- Technically bullish on Friday, the futures had held above the USD 111.57 support, warning that we could tests and break the USD 117.50 fractal high. However, we noted that this would create a negative divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, implying caution on upside breakouts. We noted that the DCE futures were rising whilst aggregate open interest was dropping, indicating the upside move was on the back of short covering. If we saw a pullback followed by an upside move with rising open interest, it would warn that longer-term sentiment was changing to the buyside. On the offshore contract, this meant that USD 102.91 was the key longer-term support to follow, as corrective moves that held at or above this level would warn that there was potentially a larger bullish Elliott wave cycle in play. The futures have now entered a consolidation phase with price above the EMA support band whilst the RSI is above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 115.97 with the RSI at or above 66 will mean price and momentum are aligned to the buyside. Likewise, a close below this level 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 with price in consolidation. A move above USD 117.50 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. A close on the daily candle below USD 114.15 will warn that sell side pressure is increasing, meaning support levels could come under pressure. If we trade below USD 111.57 it will suggest that the probability of the futures trading to a new high within this phase of the cycle will start to decrease. However, corrective moves lower that hold at or above USD 102.91 will indicate that there is potentially a larger bullish Elliott wave cycle in play. A cautious bull, from a technical perspective, this would be a high risk entry point from the buyside.

Chart source Bloomberg

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](http://freightinvestorservices.com)