

FIS Iron Ore Offshore

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Iron Ore May 24 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	114.15	R1	115.20	RSI above 50	Stochastic overbought
S2	109.05	R2			
S3	106.45	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the weekly pivot point (114.15)
- We remained technically bearish on the previous report (on 05/04) with upside moves looking like they should be countertrend based on our Elliott wave analysis. If we did trade above the USD 111.23 level it would 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 was starting to turn higher, implying momentum indicators were showing light bid support, warning resistance level could potentially come under pressure in the near-term. We had opened the afternoon session above the weekly pivot level (USD 105.18), which had resulted in intraday bid support. If did close below the USD 105.18 level, it will mean that sell side pressure was increasing, warning that the USD 97.00 fractal low could come under pressure. The futures did move higher before trading to a low of USD 95.40. We have since seen a significant move higher, driven by short covering on the DCE onshore contract, as highlighted by the rising price alongside a falling Aggregate open interest (AOI). We are above the EMA resistance band with the RSI above 50.
- Upside moves that fail at or below USD 127.14 will warn that there is possibly a larger bearish Elliott wave cycle in play. Downside moves that hold at or above USD 102.91 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving higher due to short covering in the market. However, the intraday RSI is in divergence, warning we could see a technical pullback. If we move lower (on lower volume) and hold support, followed by a move higher on rising (AOI), it will have bullish implication going forward, warning resistance levels could come under pressure. Likewise, downside moves below USD 102.91 will warn that the probability of the futures trading to a new high will start to decrease. A cautious bull at these levels as the intraday divergence is warning that we could move lower in the near-term.

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