

FIS Iron Ore Offshore

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Iron Ore May 24 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	116.77	R1	118.05	RSI above 50	Stochastic overbought
S2	110.69	R2			
S3	107.77	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the weekly pivot point (116.77)
- Technically bullish last week, the futures were moving higher due to short covering in the market. However, the intraday RSI was in divergence, warning we could see a technical pullback. If we moved lower (on lower volume) and held support, followed by a move higher on rising (AOI), it would have bullish implication going forward, warning resistance levels could come under pressure. Likewise, downside moves below USD 102.91 would warn that the probability of the futures trading to a new high would start to decrease. A cautious bull at these levels as the intraday divergence is warning that we could move lower in the near-term.
- The futures had a small pullback to USD 112.30 before trading to new highs, meaning we have seen an intraday Elliott wave extension. We are above the 34-55 period EMA's 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 103.81 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the intraday Elliott wave extension means we now have the potential to trade as high as USD 125.96 within this phase of the cycle. However, the intraday RSI remains in divergence, warning that we could see a momentum slowdown. Having traded to a high of USD 120.15, the futures are failing to hold above the 200-period MA (USD 119.49), a close above that holds above this level will further support a bull argument. Likewise, a rejection of the average alongside the divergence will warn that we could see the futures enter a corrective phase. The weekly pivot level is now at USD 116.77, a close on the daily chart below this level will warn that sell side pressure is increasing. We are a cautious bull at these levels, as upside moves could struggle to hold.

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