

# FIS Iron Ore Offshore

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## Iron Ore July 24 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	105.38	R1	109.10		
S2	101.28	R2	111.03		RSI below 50
S3	95.40	R3	114.05		

### Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is above 50 (45)
- Stochastic is above 50
- Price is above the weekly pivot point (105.38)
- Technically bearish in the last report, the move below USD 104.75 indicated that the probability of the futures trading to a new high had started to decrease; however, we had seen a move higher in recent days on the back of a positive divergence with the RSI. The MA on the RSI implied that momentum was weak (the RSI is testing the MA resistance, circled), whilst we had a small rejection candle (also circled) indicating we could be about to move lower. If we closed below the weekly pivot level (USD 106.53), it would warn that sell side pressure was increasing, meaning the USD 103.35 fractal low could come under pressure. A new low would signal a wave extension within the existing trend, or a new lower timeframe wave cycle. However, we would not know which until we broke the fractal low. If we did trade above USD 116.25 the upside move will be deep into the last bear wave, implying caution on downside moves.
- The futures sold to a low of USD 101.95 before finding bid support on the back of a positive divergence with the RSI. We remain below the EMA resistance band with the RSI below 50.
- Technically bearish with a neutral bias, based on the depth of the recent upside move into the last bear wave. The MA on the RSI is implying we have light momentum support, warning resistance levels could come under pressure in the near-term. The close above the high of the last dominant bear candle supports this (USD 105.15). The futures are entering a resistance zone (circled) that means buy-side momentum has stalled a little at this point, if we trade above USD 109.10 then the technical will be bullish based on price. A close below the weekly pivot level (USD 106.15) will warn that sell side pressure is increasing; however, we are now cautious on downside moves due to the futures moving higher on the back of a positive divergence with the RSI.

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