

FIS Iron Ore Offshore

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

Iron Ore Aug 24 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	97.83	R1	103.38	102.05	Stochastic oversold	RSI below 50
S2	95.40	R2	104.68			
S3	93.35	R3	106.43			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the weekly pivot point (105.77)
- Technically bullish with a neutral bias last week, the depth of the pullback suggested that the USD 101.95 fractal support was vulnerable. However, we had two intraday bullish rejection candles, alongside a downside rejection candle on the daily chart, whilst the intraday RSI was in divergence. This suggested caution on downside moves, as the technical warned that we could have buyside support in the market, making USD 110.37 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease; likewise, a rejection of this level would warn that there could still be a larger, bearish Elliott wave cycle in play. We were cautious on downside moves, from a technical perspective, the futures were not considered a sell at those levels.
- We got it wrong last week, as the futures sold to a low of USD 99.85, indicating we had seen an intraday Elliott wave extension to the downside. The futures have started to see buyside support but remain below all key moving averages with the RSI below 50.
- Upside moves that fail at or below USD 106.43 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the intraday Elliott wave cycle is now suggesting that upside moves should be considered as countertrend, making USD 106.43 the key level to follow. A move above this level will warn that the probability of the futures trading to a new low has started to decrease. Due to the wave cycle extending to the downside, the USD 95.40 fractal low from late March is now looking like it may be tested and broken.

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