

FIS Iron Ore Offshore

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Iron Ore OCT 24 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	88.70	R1	93.00	Stochastic oversold	RSI below 50
S2	84.84	R2			
S3	81.55	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the weekly pivot point (94.60)
- Technically bearish last week, the futures were in divergence with the RSI, not a buy signal it warned that we could see a momentum slowdown, which would need to be monitored. However, lower timeframe intraday Elliott wave analysis had a revised downside target at USD 85.93, whilst higher timeframe wave analysis (still intraday) indicated that upside moves should be considered as countertrend, implying there will be further downside within this cycle. We noted that we had highlighted in the close report the previous evening night that the last time the Bloomberg China BOF Steel Profit Index was around these levels (CNY -527 in late 2015) the rolling front month futures were trading around the USD 40.00 mark, suggesting caution on upside moves.
- The futures traded to a low of USD 89.60 before finding bid support, resulting in a move up to USD 95.30, We are below the EMA support band with the RSI below 50.
- Upside moves that fail at or below USD 98.61 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, our intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend, making USD 98.61 the key resistance to follow, above this level the probability of the futures trading to a new low will start to decrease. The futures have found bid support on the back of the positive divergence with the RSI; however, based on the Elliott wave cycle, we remain cautious on upside moves at this point.

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