



Iron Ore Offshore Intraday Morning Technical

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

Iron Ore Offshore Jan 25 Morning Technical Comment – 240 Min Chart



	Support	Resistance	Current Price	Bull	Bear	
S1	104.76	R1	105.65	RSI above 50	Stochastic overbought	
S2	103.97	R2				107.20
S3	103.33	R3				108.37
					110.03	

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 104.76
- Technically bullish yesterday with the futures moving higher. We noted that if we traded above the USD 105.70 high, it would indicate that we were seeing an Elliott wave extension to the upside, warning we could trade as high as USD 108.37 within this phase of the cycle. However, above USD 105.70 the futures would be in divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown. The futures were trading on the daily 200-period MA (USD 105.26), a close above that held above the average would further support a bull argument. Conversely, failure to close above the average would warn that higher timeframe market sellers were defending the average. Price was at an inflection point; the psychological footprint of the market (Elliott wave) suggests caution on moves higher. However, the Politburo looked like their announcement may have changed the market psychology.
- The futures traded to a high of USD 107.30 before pulling back in the Asian day session today. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 104.76 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 103.97 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that we have light momentum support, whilst our Elliott waver analysis suggests that we have the potential to trade as high as USD 108.37 within this phase of the cycle. However, the new high yesterday does mean that the futures are in divergence, warning we could see a momentum slowdown. If we go down a wave cycle, there is still a chance that we could see another test of the high. If the daily candle closes at these levels on SGX, we will have a bearish rejection candle just above the daily 200-period MA (USD 105.21). If this is the case, we will become even more cautious on moves higher. We are already very cautious on upside moves from here, as the technical suggests that they will struggle to hold.

Chart source Bloomberg

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com