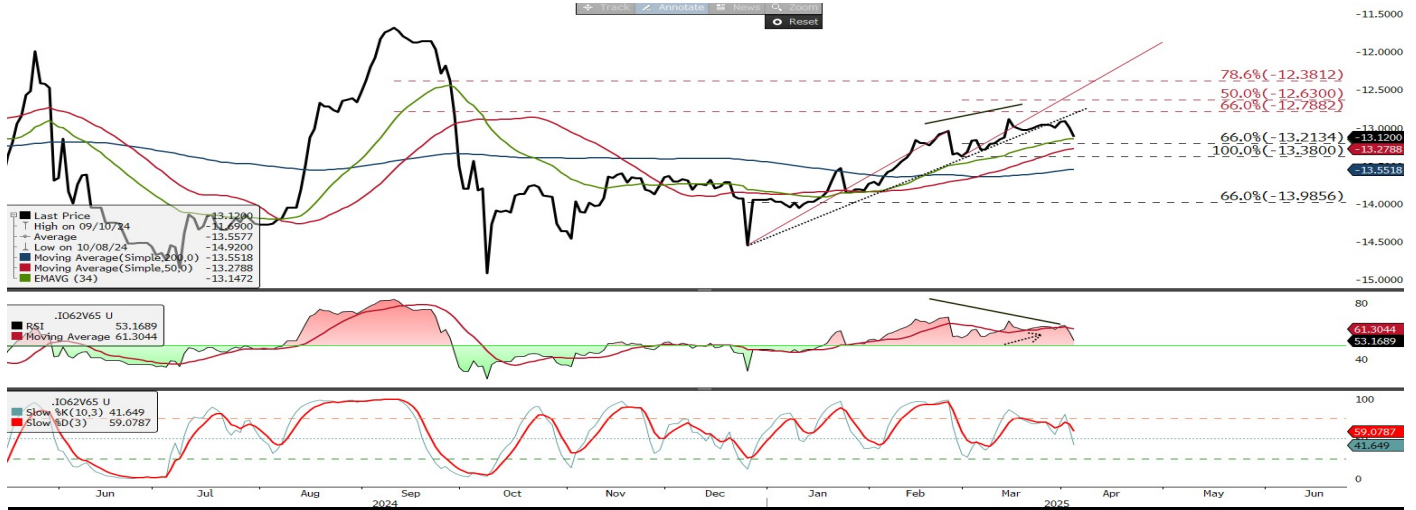




Iron Ore Offshore 62 V 65 Technical

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Iron Ore Offshore April 62 V 65 Spread Daily Technical



Support		Resistance		Current Price	Bull	Bear
S1	-13.21	R1	-12.78	-13.12	RSI above 50	
S2	-13.38	R2	-12.63			
S3	-13.98	R3	-12.38			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34—period EMA 50 period SMA’s
- RSI is above 50 (53)
- Stochastic is above 50
- Technically bullish on the last report, the futures were selling lower due to the negative divergence in play. A close below that held below the trend support (USD - 13.09) would warn that the USD - 13.21 level could be tested and broken. If it was, then the probability of the spread trading to a new high would start to decrease. The MA on the RSI is indicating that momentum was supported, warning the USD - 12.89 fractal high could come under pressure in very the near-term; However, a new high would create further negative divergence with the RSI. Not a sell signal, they warned that we could see a momentum slowdown, which would need to be monitored. We were a cautious bull at those levels, as the divergence suggested that an upside breakout could struggle to hold.
- The spread broke trend support before trading to a high of USD - 12.92; however, the small upside move remained below the trend line (now a resistance USD - 12.81) , which acted as a resistance, resulting in price selling lower.
- Downside moves that hold at or above USD - 13.21 will support a bull argument, a close below this level will mean the technical will have a neutral bias, whilst a close below USD - 13.38 will mean the technical is bearish.
- Technically bullish but in a corrective phase, the MA on the RSI implies we have light momentum weakness. The spread is now approaching the USD - 12.21 support, if broken the probability of price trading to a new high will start to decrease. The failure to trade to a new high, due to the divergence in play, alongside the break in trend support, is warning that support levels could be tested and broken. For this reason, we maintain a note of caution on upside moves, as the technical suggests that they could struggle to hold.