

# FIS Iron Ore Offshore

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## Iron Ore May 25 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	96.85	R1	99.92	98.65		RSI below 50
S2	94.71	R2	101.49			
S3	91.70	R3	104.15			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Technically bearish on the previous report, the MA on the RSI implied that momentum remained weak. The futures had moved higher on an intraday divergence with the RSI; however, our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 99.92 the key resistance to follow. Upside moves above this level would mean that the probability of price trading to a new low will start to decrease, warning the bearish wave cycle could fail. Based on the wave cycle and weak momentum, we remained cautious on upside moves at that point.
- The upside move initially held resistance; however, a secondary test has resulted in a breach of the USD 99.92 level. The futures have tested but remain below the EMA resistance band with the RSI below 50.
- Downside moves that hold at or above USD 94.70 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI implies that momentum remains supported, but the futures are struggling to hold above the March support zone that formed around the USD 99.70 level in March (highlighted on chart). Technically, the breach in the USD 99.92 level suggests that resistance levels are vulnerable. However, support is potentially turning into resistance, whilst we also have the 200-period EMA at USD 101.18, meaning we are currently cautious on moves higher, as the technical is warning that we could see a move lower.

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