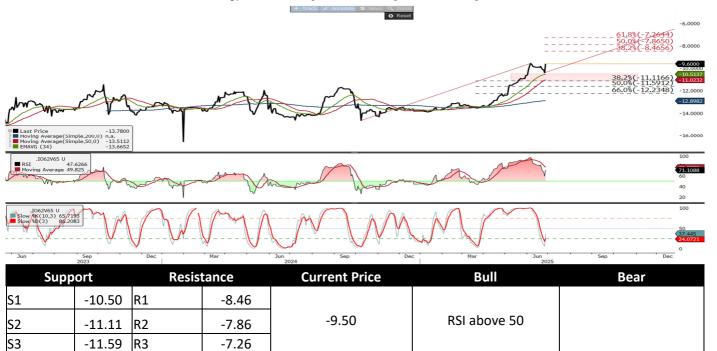
<u> EMISSIONS | OIL | FERROUS</u> | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT



Iron Ore Offshore 62 V 65 Technical

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Iron Ore Offshore July 62 V 65 Spread Daily Technical



Synopsis - Intraday

- Price is above the 34—period EMA 50 period SMA's
- RSI is above 50 (71)
- Stochastic is oversold
- Technically bullish in the last report, the July contract had produced a close 26% above its 200-period MA (USD −12,.99) before entering a corrective phase. Price and the RSI did make new highs, whilst the recent move higher was greater than 161.8% than that of the previous wave, indicting it was bullish impulse, meaning downside moves had a greater chance of being countertrend. Intraday market profile charts over the last 30 days are showing high volume nodes between USD−11.00 and USD −11.90, suggesting this has the potential to act as a support zone. However, if we did trade below USD-12,23, then the probability of the spread trading to new high would start to decrease, warning market sellers were in control.

Chart source Bloomberg

- The spread traded to a low of USD –10.41 before finding bid support. We remain above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 12.23 will support a bull argument, a close below this level will mean the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is weak at this point. However, medium term moving averages are in an upward trajectory, warning we remain in a bullish trending environment. This is supported but the market profile chart over the last 30 days, which highlights intraday support between USD -10.50—USD -11.10. Fibonacci projection levels suggest that we have the potential to trade as high as USD -7.26, if we close above the USD -9.58; however, we do have a note of caution on upside breakouts, as a new high will create a negative divergence with the RSI. Not a sell signal, it warns that we could see a momentum slowdown, which will need to be monitored. A daily close below the market profile support USD 11.10 will warn that the USD -12.23 Fibonacci support could be tested and broken. If it is, then the probability of price trading to a new high will start to decrease.

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