

FIS Iron Ore Offshore

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Iron Ore July 25 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	92.16	R1	96.82	93.85	Stochastic oversold	RSI below 50
S2	89.50	R2	97.80			
S3	86.14	R3	99.13			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Having failed to hold above the 200-period MA (USD 100.85) back in May, the futures sold below the USD 97.16 support, resulting in price trading to a low of USD 93.85, meaning the technical is back in bearish territory. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 99.13 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is starting to flatten, implying sell side momentum is slowing. Price is now in divergence on both the intraday and daily timeframes, not a buy signal, it is a warning that we could see a momentum slowdown. The downside move below USD 93.90 means we have the potential to test the USD 92.90 fractal low that formed in April. However, the multi-timeframe divergences do suggest caution on downside moves at these levels. Up-side moves above the USD 96.40 fractal resistance will indicate that buy-side pressure is increasing, warning the USD 99.13 Fibonacci resistance could be tested and broken; if it is, then the probability of price trading to a new low will start to decrease. We are a cautious bear due to the divergence.