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	95.80	94.70		RSI below 50
S2	89.50	R2	96.97			
S3	86.14	R3	98.57			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Technically bearish on the last report (13/06), the MA on the RSI was starting to flatten, implying sell side momentum was slowing. Price was in divergence on both the intraday and daily timeframes, not a buy signal, it warned that we could see a momentum slowdown. The downside move below USD 93.90 meant we have the potential to test the USD 92.90 fractal low that formed in April. However, the multi-timeframe divergences did suggest caution on downside moves at those levels. Upside moves above the USD 96.40 fractal resistance would indicate that buyside pressure was increasing, warning the USD 99.13 Fibonacci resistance could be tested and broken; if it was, then the probability of price trading to a new low would start to decrease. We were a cautious bear due to the divergence.
- The futures traded to a low of USD 92.00 before finding light bid support. We remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 98.57 will warn that there could be a larger, bearish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI is flat, implying momentum is neutral. The daily divergence has failed; however, we continue to see multiple divergences on the 4-hour timeframe, for this reason, we remain cautious on downside breakouts below USD 92.00. Upside moves above USD 96.40 will put the technical in bullish territory, warning the USD 98.57 Fibonacci resistance could be tested and broken. A cautious bear, the intraday divergences warn that resistance levels are starting to look vulnerable.