

FIS Iron Ore Offshore

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Iron Ore Sep 25 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	100.50	R1	101.33	101.05	RSI above 50	
S2	98.96	R2	102.21			
S3	97.82	R3	103.12			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (54)
- Stochastic is oversold
- Technically bullish in the last report on the 18/07, the MA on the RSI implied that momentum was supported. We had noted in the morning technical on the 17/07 that Fibonacci projection levels suggested we could trade as high as USD 102.70 within this phase of the lower timeframe Elliott wave cycle. Having traded to a high of USD 102.65 the futures had produced an upside rejection candle (note: the candle was still open, it showed upside rejection at the time of writing) on higher volume, indicating sell side pressure was increasing, warning we could be about to move lower; however, price needed to close below the 200-period MA first (USD 100.49). Our wave analysis did suggest that downside moves had the potential to be countertrend, as we had seen a bullish lower timeframe Elliott wave extension, making USD 96.28 the key support to follow. Below this level the probability of price trading to a new high would start to decrease.
- The futures produced a rejection candle but failed to close below the daily 200-period MA (USD 100.50), resulting in price trading to a high of USD 107.00 before selling to a low of USD 99.25. We are now finding bid support off the 34-55 period EMA's, whilst the RSI is above 50.
- Downside moves that hold at or above USD 96.28 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or above USD 104.36 will warn that there could be a larger bearish corrective phase in play.
- Technically bullish but in a corrective phase, the MA on the RSI implies light momentum weakness. Having closed below the 200-period MA that futures are struggling to hold below it, whilst price remains above the USD 98.96 support. If we close and hold above the USD 100.50 level it will leave resistance levels vulnerable. Elliott wave analysis continues to suggest caution on downside moves; however, if we do trade below the USD 96.28 level, then the probability of price trading to a new high will start to decrease. Likewise, a close above the weekly pivot level (USD 101.33) will indicate that buy-side pressure is increasing.

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