

FIS Iron Ore Offshore

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Iron Ore Oct 25 (rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	R1	105.90	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Unchanged on the technical last week, we remained bullish with the futures producing a second breakout, warning the USD 107.00 fractal high could be tested and broken. As highlighted previously, if it was, it would confirm that we had entered a bullish impulse wave-5, meaning we had a potential near-term upside target at USD 108.44. Conversely, market longs should act with caution on a close below trend support (USD 102.73), as it would put price back into the symmetrical pattern. Elliott wave analysis continued to suggest that downside moves should be considered as countertrend. The upside breakout had volume support, suggesting resistance levels should in theory be tested and broken.
- The futures traded to a high of USD 107.60 before entering a small corrective phase. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 102.09 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The new high means the RSI is in divergence with price, not a sell signal, it is a warning that we could see a momentum slowdown which will need to be monitored. However, lower timeframe Elliott wave analysis continues to suggest that downside moves should be considered as countertrend in the near-term. At this point, the pull-back is still shallow; if we traded to a new high without moving lower, then we will be looking at a bullish wave extension. Meaning downside moves will still be considered as countertrend. Key support to follow is now at USD 102.09, below this level the probability of the futures trading to a new high will start to decrease.

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