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Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Iron Ore Offshore Nov 25 Morning Technical Comment—240 Min Chart Technical

Support		Resistance		Current Price	Bull	Bear
S1	104.79	R1	106.70	106.45	RSI above 50	
S2	104.46	R2	108.52			
S3	103.86	R3	109.45			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (56)
- Stochastic is above 50
- Price is below daily pivot level USD 106.70
- The technical was bearish with a neutral bias yesterday with the MA on the RSI implying that we had momentum support. The move above USD 106.28 meant that the probability of the futures trading to a new low had started to decrease, meaning we had a note of caution on downside moves in the near-term. We noted that we were seeing a light increase in volume support, but not with the same intensity as in early October. Market buyers need to be cautious on a close below the low of the last dominant bull candle (USD 106.50), as it would indicate that buyside pressure is easing. Resistance levels were vulnerable; however, we continued to have a note of caution on upside moves, as the volume increase was not particularly significant.
- The futures have sold lower with price closing below the USD 106.50 level. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 106.70 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 104.46 will support a bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias, the move lower has resulted in price closing below the low of the last dominant bull candle. We also note that the bearish candle is on increased volume, warning the 200-period MA at USD 104.79 is vulnerable. A close that holds above the average will warn that the USD 104.65 support could be tested and broken; if it is, the technical will be back in bearish territory. The technical condition has weakened, for upside continuation we now need to see a close above the high, of the high volume dominant bear candle (USD 107.50).