FIS Iron Ore Offshore

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

Iron Ore Nov 25 (rolling Front Month)

Support		Resistance		Current Price	Bull	Bear
S1	104.46	R1	107.67	105.90	RSI above 50	Stochastic overbought
S2	102.45	R2	108.05			
S3	100.94	R3	108.44			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Technically bullish but selling lower on the previous report. The Elliott wave cycle warned that it may have completed, as we have 5 waves higher, whilst the upside move from July also producing 5 waves (sub-waves of the higher timeframe wave 5), making USD 102.24 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. However, if the support levels held, it will warn that there was potentially a larger bull cycle in play (further bullish subways within the higher timeframe wave 5). Open interest had started to drop but remains supported, suggesting market longs were still holding. This suggested that there was still an expectation that there could be further upside within the cycle. We also highlighted that USD 102.97 was two standard deviations below the linear regression line, meaning if tested, price would start to look overextended to the sell side. USD 102.24 was the key support to follow, if we held and open interest was still supported, market bulls would look to test the USD 106.57 resistance; if broken, the USD 108.05 and USD 110.94 resistance levels would become vulnerable. Conversely, if rejected, it will suggest that there was a larger corrective phase in play. The open interest and the linear regression support meant that we had a note of caution on downside moves whilst above the USD 102.24 level.
- The futures sold to a low of USD 102.85 before trading to a high of USD 107.60. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 104.35 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the pullback held above fractal support with price moving higher, meaning there could still be further bullish sub waves within the higher timeframe wave ((V)). We are moving higher with volume support (but with a lower intensity of the previous wave), we also have rising open interest, suggesting fresh longs continue to enter the market. However, above USD 108.05 price will be in divergence with the RSI. Not a sell signal it is a warning that we could see a momentum slowdown, meaning we have a note of caution on upside breakouts. Technically we are bullish, resistance levels are vulnerable, but open interest does look high, warning this technical is exposed. For this reason we are cautious on upside moves, and especially cautious on upside breakouts.