

FIS Iron Ore Offshore

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

Iron Ore Dec 25 (rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	103.38	104.00		Stochastic overbought
S2	102.24			
S3	100.85			
R1	105.31			
R2	106.16			
R3	107.60			

Synopsis - Intraday

Source Bloomberg

- Price is between the 34 - 55-period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- The technical remained bearish last week with the MA on the RSI implying momentum remained weak. We noted that although the A,B,C pattern looked to have completed, it did not mean that the technical was bullish. We were cautious on downside breakouts below USD 100.85 as the intraday technical will be divergent; however, upside moves that failed at or below USD 105.31 would warn that there could be a larger bearish wave cycle in play. This would be in the form of a W,X,Y pattern; meaning the A,B,C would become W, the X would be the countertrend wave higher, whilst Y would then be expected to form another bearish A,B,C pattern. Intraday price implied caution on downside breakouts due to a divergence; however, whilst below USD 105.31 we had to remain cautious on higher moves in case we entered a second bearish A,B,C structure.
- The futures have moved higher but remain below the USD 105.31 resistance. We are between the EMA support band with the RSI neutral at 50.
- Upside moves that fail at or below USD 105.31 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 102.24 will support a near-term bull argument.
- Technically bearish, the intraday technical is now bullish; however, we remain below the USD 105.31 resistance, if broken, then the probability of the futures trading it a new low will start to decrease. Conversely, if rejected it will warn that there could be a larger bearish Elliott wave cycle in play (W, X, Y). We remain cautious on downside moves as we have seen a three wave pattern complete; if we do trade below USD 102.24 then market buyer's will need to be cautious, as it will indicate that sell side pressure is increasing, warning the USD 100.85 fractal low could be tested and broken.

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