

# FIS Iron Ore Offshore

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## Iron Ore Jan 26 (rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	R1	102.50		RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- The roll in Dec last week meant that the futures were back in bearish territory. The Jan contract had sold to a low of USD 101.75 before finding bid support, as USD 101.53 was two standard deviations below the linear regression line, we also noted that we had the 200-period MA at USD 100.94. A close above the high of the last dominant bear candle (USD 103.35) would indicate that buy-side pressure is increasing, warning the USD 105.02 resistance could come under pressure. This was a key level on the technical, if broken, then the probability of the futures trading to a new low would start to decrease, further supporting a buyers argument. Conversely, if rejected it would warn that the corrective phase was becoming more complex. The roll had changed the technical footprint a little, as price has gone from being overbought to oversold, with little price action in the actual move. We noted that we would be cautious on downside moves that looked to test the USD 101.53—USD 100.94 support zone, as this area was likely to attract market buyers.
- The futures traded to a high of USD 104.50 before rejecting the USD 105.02 resistance, resulting in price selling lower. We are below the EMA resistance band with the RSI below 50.
- Upside moves that fail at or below USD 105.02 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the upside rejection means we have a failed swing high, warning the corrective move is looking more like a W, X, Y pattern, meaning the USD 100.85 fractal low is starting to look vulnerable. However, USD 101.36 is two standard deviations below the linear regression line, whilst the 200-period MA is at USD 100.94. Support levels are becoming vulnerable; however, the two STDV line and 200-MA suggest downside moves below USD 100.85 could struggle to hold.

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