

# FIS Iron Ore Offshore

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## Iron Ore Feb 26 (rolling Front Month)



### Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Technical outlook—Bullish (last week). The upside move to a new high had signalled that there was a larger, bullish impulse Elliott wave cycle in play. The RSI moving average continued to indicate that momentum was supported; Elliott wave analysis suggested that downside moves should in theory be counter-trend, making USD 106.01 (correction \*USD 105.90\*) the key support to monitor. This was a key level on the technical, throwbacks below USD 106.01 would reduce the probability of the futures trading to new highs, increasing the probability of cycle failure.
- We changed our technical view from bullish to neutral on the 14/01 (USD 108.05) as the futures had failed to trade above the USD 109.40 resistance level, bringing into question whether the move higher was in fact bullish impulse. Price has since entered a corrective phase with the futures breaching the USD 105.90 support; confirming our previous neutral intraday assessment. We remain above the EMA support band with the RSI above 50.
- Upside moves that fail at or below USD 108.19 will warn that there could be further downside within the corrective phase. Conversely, a move above this level will place the futures back in bullish territory.
- The corrective move over the past two trading sessions has resulted in price breaching the USD 105.90 support. This has weakened the broader bullish structure and warns that price may fail to achieve the USD 109.40 fractal high. On the buy side, a rally above USD 108.19 would signal that buy-side pressure is intensifying; in this scenario, the USD 109.40 fractal high would become increasingly vulnerable. With the broader bullish trend weakening and the RSI breaking near-term support, we adopt a cautious approach to further upside while price remains below USD 108.19.