

FIS Iron Ore Offshore

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Iron Ore April 26 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	99.10	R1	101.80	RSI above 50	
S2	97.78	R2			
S3	96.57	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (53)
- Stochastic is above 50
- Technical outlook previously: Bearish—upside moves considered as countertrend.
- The futures were moving higher last week with the RSI breaking near-term resistance; however, price remains below the USD 100.90 resistance related to the previous RSI high. This hidden divergence was know as a negative reversal, and supported our Elliott wave analysis that upside moves should be considered as countertrend. For momentum to be considered as bullish, price would need to trade above the USD 100.90 level. For this reason, we continued to be cautious on higher moves at this point.
- With China coming out and saying they would support the steel industry the futures have traded above the USD 100.90 resistance. We are above the EMA resistance band with the RSI above 50.
- Upside moves that fail at or below USD 102.03 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: resistance moved higher due to the bearish wave extension.
- Technical outlook: Inflection point
- The intraday futures created a polarity support at USD 99.10, resulting in price moving higher on increased volume. We have the 200 -period MA at USD 101.95 and key resistance at USD 102.03. In theory, if we trade above the USD 102.03 level, then the probability of the futures trading to a new low will begin to decrease. However, right below this level we have the 200-period MA, a benchmark average that holds more weight than the Fibonacci retracement level. A close and hold above the average will indicate upside continuation, implying the bearish wave cycle has finished early. Conversely, market longs should be cautious on upside moves that fail to hold above the 200-period MA, as it will indicate that sellers are defending the average. Price is now at an inflection point, technically we are still considered as bearish, rather than neutral, but we now need to see how we react to the 200-MA.

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