

FIS Iron Ore Offshore

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Iron Ore April 26 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	104.54	R1	106.00	RSI above 50	Stochastic overbought
S2	103.18	R2			
S3	102.87	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Technical outlook previously: Inflection point
- We noted previously that the intraday futures had created a polarity support at USD 99.10, resulting in price moving higher on increased volume. We had the 200-period MA at USD 101.95 and key resistance at USD 102.03. In theory, if we traded 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 had the 200-period MA, a benchmark average that held more weight than the Fibonacci retracement level. A close and hold above the average would indicate upside continuation, implying the bearish wave cycle had finished early. Conversely, market longs should be cautious on upside moves that failed to hold above the 200-period MA, as it would indicate that sellers are defending the average. Price was at an inflection point, technically we were still considered as bearish, rather than neutral, but needed to see how we would react to the 200-MA.
- The futures closed and held above the 200-period MA at USD 102.87, resulting in price trading to new highs, we have since entered a corrective phase. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that held at or above USD 101.33 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: downside moves considered as countertrend.
- The upside move to a high of USD 109.00 has resulted in a lower timeframe Elliott wave extension, meaning downside moves should be considered as countertrend, providing we hold above the USD 101.33 Fibonacci support. Below USD 101.33 the pullback will be considered as deep, meaning the probability of price trading to a new high will be decreasing. Near-term price action remains corrective; however, a close above the high of the last dominant bear candle (USD 107.25) will signal an increase in buy-side pressure, at this point, resistance levels will start to look vulnerable.

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