

FIS Iron Ore Offshore

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Iron Ore May 26 (rolling Front Month)



	Support	Resistance	Current Price	Bull	Bear
S1	105.65	R1	105.65	RSI above 50	
S2	103.20	R2			
S3	101.34	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Technical outlook previously: downside moves considered as countertrend.
- We Noted previously that the upside move to a high of USD 109.00 had 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 pull-back would be considered as deep, meaning the probability of price trading to a new high would be to decrease. Near-term price action remained corrective; however, a close above the high of the last dominant bear candle (USD 107.25) would signal an increase in buy-side pressure, at that point, resistance levels would start to look vulnerable.
- The futures sold to a low of USD 102.10 before finding bid support. We are above all key moving averages supported by the RSI above 50.
- Downside moves that held at or above USD 101.34 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 106.62 will warn that there is a larger Elliott wave cycle in play.
- Technical outlook: Inflection point
- The upside move has resulted in the futures closing above the trend resistance line at USD 105.65, we also note that the RSI has closed above its resistance line. A small intraday pullback has resulted in the futures trading back to the trend line, meaning price is now at an inflection point. The downside moves has held above the USD 101.34 support, but we remain below the key daily resistance at USD 106.62. A rejection of the USD 106.62 level will warn of a more complex corrective phase; conversely, if broken, then the probability of the futures trading to a new low will begin to decrease. With both price and momentum breaking trend resistance, the USD 106.62 level is considered as vulnerable; however, until broken, a note of caution is still warranted.

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