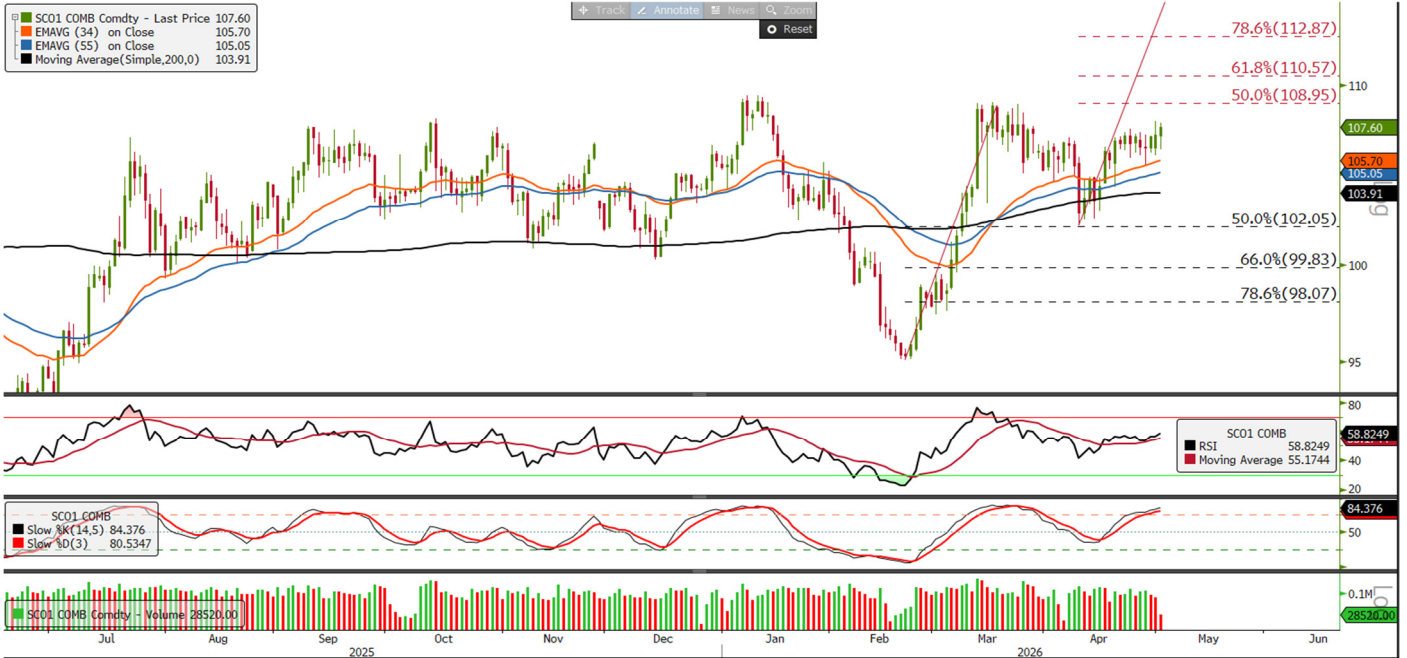


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Iron Ore June 26 (rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	R1	107.60	RSI above 50	Stochastic overbought
103.91	108.95			
S2	R2			
102.05	110.57			
S3	R3			
99.83	112.87			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Technical outlook previously: Downside moves considered as countertrend.
- We noted last week that the upside move above USD 106.62 meant that the probability of the futures trading to a new low had stated to decrease, suggesting downside moves had a greater chance of being countertrend. We identified USD 103.94 as the key support to follow, as corrections that held at or above this level would warn that resistance levels could come under further pressure. We had a point on note to be cautious off. Price had moved sideways for the last 4 session, while the intraday RSI is divergent, meaning we were vulnerable to a move lower in the short-term.
- The futures sold to a low of USD 105.40 but held the 34-period EMA, resulting in price trading to new highs, the intraday divergence has now failed. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 99.83 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Buyside pressure increasing
- The intraday divergence has failed with price making new highs, while the RSI implies momentum is supported, signaling an increase in buyside pressure. Fibonacci projection levels based on our Elliott wave analysis suggests that we have a potential upside target at USD 110.57 for this phase of the cycle. The momentum support means we have a cautious approach top downside moves at this point.