

FIS Iron Ore Offshore

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Iron Ore June 26 (rolling Front Month Daily)



	Support	Resistance	Current Price	Bull	Bear
S1	104.53	R1	107.23	105.15	RSI below 50
S2	104.20	R2	109.33		
S3	102.10	R3	111.90		

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Technical outlook previously: neutral
- The depth of the pullback last week suggested that the probability of price trading to a new high had started to decrease. We identify USD 105.40 as a key level to follow, as a move below this level would break intraday and daily fractal support levels, confirming the lower timeframe bullish Elliott wave cycle had failed. The RSI had negative velocity but was showing signs of positive acceleration, implying sell side pressure had slowed; However, the RSI moving average continues to warn of momentum weakness. Market sellers should be cautious on a daily close above the high of the last dominant bull candle at USD 107.40, as it would signal an increase in buy-side pressure, warning the USD 109.71 Fibonacci resistance could be tested.
- The futures traded to a high of USD 108.55 but the move failed to hold, resulting in price selling to a new low. We remain below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 109.33 will leave the futures vulnerable to further test to the downside, above this level price will re-enter bullish territory.
- Technical outlook: Upside moves considered as countertrend
- The technical outlook is possibly a little misleading, as the intraday RSI is divergent, while price is holding above the daily 200-period MA at USD 109.33. In the near-term we are cautious on downside moves; however, a close and hold below 200-period MA will warn we could see further downside continuation. The depth of the pullback indicates that the probability of price trading to a new high has started to decrease, upside moves considered as countertrend.

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