



Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Iron Ore Offshore July 26 Morning Technical Comment—240 Min Chart



	Support		Resistance	Current Price	Bull	Bear
S1	98.59	R1	100.50	99.05	Stochastic oversold	RSI below 50
S2	97.20	R2	101.67			
S3	95.80	R3	103.10			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (26)
- Stochastic is oversold
- Price is below daily pivot level USD 101.52
- Technical Outlook Previously: Sell side pressure increasing
- We noted yesterday that the futures had closed below the trend support line at USD 101.47, implying sell side pressure was on the increase. Supporting the trend break, the RSI had also broken trend support, signaling momentum weakness. Technically, our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, while the trend break warned the USD 100.10 fractal lows was becoming vulnerable. Market sellers should have a note of caution on a close and hold back above the support line, as it would indicate buyside support was entering the market.
- The futures sold to new lows on the weakening price and momentum highlighted yesterday. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 101.52 with the RSI at or above 50 will mean price and momentum are aligned to buyside. Upside moves that fail at or below USD 101.67 will leave the futures vulnerable to further tests to the downside, above this level, the technical will have a neutral bias
- Technical Outlook: Support vulnerable
- In theory, the new low means the RSI is divergent against the low at USD 100.10 from the 08/06. However, when we look at near-term momentum pressure on the downside move from the USD 103.10 high on the 10/06, we can see that price and the RSI are making new lows, signaling bearish momentum confirmation. The bearish momentum confirmation implies that support levels are considered as vulnerable, while our Fibonacci projection levels warn that we have the potential to trade as low as USD 95.80 within this phase of the cycle. Higher timeframe Elliott wave analysis continues to suggest that upside moves should be considered as countertrend. If we trade above USD 101.67 then the probability of the futures trading to a new low within this phase of the cycle will begin to decrease, warning the move higher could be part of a larger bearish pullback.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com