

FIS Iron Ore Offshore

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Iron Ore July 26 (rolling Front Month Daily)



	Support	Resistance	Current Price	Bull	Bear
S1	99.10	R1	101.50	Stochastic oversold	RSI below 50
S2	97.26	R2			
S3	95.77	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Technical outlook previously: Upside moves considered as countertrend.
- The close and hold below the 200-period MA previously had resulted in price trading to a low of USD 100.85. The RSI was showing negative velocity and positive acceleration, implying we were starting to see buyside support. However, the break to the downside had resulted in bearish momentum confirmation, suggesting upside moves should be considered as countertrend, providing we remained below the USD 105.93 resistance. Above USD 105.93 the probability of the futures trading to a new low would start to decrease.
- The futures traded to a low of USD 100.10 before seeing light bid support. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 107.89 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias. Note. Fibonacci levels have been moved higher to fit daily swing points, rather than intraday.
- Technical outlook: Caution on upside moves
- Sell side momentum is slowing, as the RSI has broken trend resistance, we also note that the RSI MA is starting to flatten. Support volume in the last few session is lower than sell side volume, suggesting market sellers have stepped back, rather than an increase in buyside pressure. The RSI move below 30 confirms trend weakness, suggesting upside moves should still be considered as countertrend. We highlight USD 104.00—USD 104.85 is an area of resistance to monitor, as USD 104.00 is the heavies traded level in the last 12 months, while USD 104.85 is the heaviest traded area in the last 30-days. Upside moves that test this area have the potential to attract selling interest.

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