

# FIS Iron Ore Offshore

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## Iron Ore July 26 (rolling Front Month Daily)



	Support	Resistance	Current Price	Bull	Bear
S1	96.48	R1	98.65	Stochastic oversold	RSI below 50
S2	94.69	R2			
S3	93.95	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: Caution on upside moves
- We noted previously that sell side momentum was slowing, as the RSI had broken trend resistance, we also noted that the RSI MA was starting to flatten. Support volume in the last few sessions had been lower than sell side volume, suggesting market sellers had stepped back, rather than an increase in buy-side 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 as an area of resistance to monitor, as USD 104.00 was the heaviest traded level in the previous 12 months, while USD 104.85 was the heaviest traded area in the last 30-days. Upside moves that tested this area had the potential to attract selling interest.
- The futures didn't trade back above the USD 103.10 high that formed on the 11/06, resulting in price selling to a low of USD 96.80. We remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 100.89 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Caution on downside moves.
- The futures have produced a 5 wave pattern lower, within the 5th wave, we also have a 5 wave pattern lower (both cycles highlighted). The move today (26/06) above the USD 98.90 level indicates that the lower timeframe cycle has finished, warning the higher timeframe 5-wave pattern may also have completed. Upside moves above the USD 100.89 level will lean toward completion of the higher timeframe cycle. Technically, the futures are now vulnerable to higher moves, indicating caution on downside price action; however, we should note that the larger 5-wave pattern lower is motive, meaning upside moves should be considered as countertrend, providing the USD 106.77 resistance is not breached.

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