FIS

Iron Ore Offshore Intraday Technical

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Iron Ore Aug Offshore

Support		Resistance		Current Price	Bull	Bear
S1	99.62	R1	100.95	100.70	RSI above 50	Stochastic overbought
S2	99.47	R2	103.10			
S3	98.32	R3	106.76			

Chart source Bloomberg

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is below 50 (72)
- Stochastic is above 50
- Price is above daily pivot level USD 99.62
- Technical Outlook Previously: Buyside pressure increasing
- The upside move yesterday had resulted in the futures closing above the intraday 200-period MA at USD 99.53; we noted that if we held above the average it would warn that resistance levels could come under further pressure. We also continued to highlight that the initial downside moves consisted of 5-waves (marked on the chart), suggesting we had seen a completion of a bearish wave A, implying upside moves should be considered as countertrend (wave B). We continued to mark USD 106.76 is the key resistance on the longer-term technical. With the RSI holding trend support and breaching the 70 level, momentum indicates that buyside pressure is increasing in the near-term. Market buyers should act with caution on a close and hold back below the 200-period MA, as it would suggests price was losing upside momentum.
- The futures continue to see light bid support. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 99.62 with the RSI at or below 56.5 would mean price and momentum are aligned to sell side. Upside moves that fail at or below USD 100.95 would leave the futures vulnerable to further tests to the downside, above this level, the technical will have a neutral bias.
- Technical Outlook: Supported
- The futures continue to hold above the intraday 200-period MA at USD 99.47. We have tested but remain below the USD 100.95 resistance, if breached it would suggest that we are less likely to see further wave extensions in the 5th wave of A. Key resistance remains unchanged at USD 106.76. Bullish RSI momentum confirmation implies futures remain supported at this point; However, the broader Elliott wave cycle would suggest that the current upside move is a countertrend wave B.