

# FIS Iron Ore Offshore

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## Iron Ore Aug



	Support	Resistance	Current Price	Bull	Bear
S1	96.48	R1	100.89	Stochastic oversold	RSI below 50
S2	94.69	R2	102.57		
S3	93.95	R3	104.35		

### 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 downside moves.
- We noted last week that the futures had produced a 5 wave pattern lower, within the 5th wave, we also had a 5 wave pattern lower (both cycles highlighted). The move on the 26/06 above the USD 98.90 level indicated that the lower timeframe cycle had 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 were now vulnerable to higher moves, indicating caution on downside price action; however, we noted that the larger 5-wave pattern lower was motive, meaning upside moves should be considered as countertrend, providing the USD 106.77 resistance was not breached.
- The futures traded to a high of USD 101.20; however, the moves has failed to hold. We remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 106.77 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Neutral
- The futures have traded down to but not below the USD 96.80 fractal low. The upside move above USD 100.89 is considered as deep into the last bear move, warning buyside pressure could be increasing; however, the move higher has been negated by a significant rejection candle. We are cautious on lower moves below USD 96.80, as it will create a positive RSI divergence; this is not a buy signal, it is a condition that warns that sell-side momentum could slow down. Countering this, price has started to consolidate with producing bullish signals at this point. As highlighted las week, 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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