FIS Iron Ore Offshore

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Support		Resistance		Current Price	Bull	Bear
S1	99.52	R1	100.96	100.25	RSI above 50	
S2	98.30	R2	102.57			
S3	96.80	R3	104.35			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Technical outlook previously: Neutral
- We noted last week that due to the 5-wave pattern lower we continued to have a cautious approach to downside breakouts in the near-term. Although consolidating, we are seeing signs of RSI support via a rising trend line and rising moving average, warning resistance was becoming vulnerable. A close and hold above the USD 99.75 level will imply buyside pressure was increasing, while a move above USD 101.20 would further support a near-term buyers argument. However, the broader trend remained bearish, implying upside moves should be considered as countertrend, providing we remained below the USD 106.77 level. Above USD 106.77 the probability of price trading to a new low would begin to decrease. We had marked this technical as neutral due to the consolidation phase; however, we are cautious on lower moves at these levels, and saw evidence of momentum support.
- The futures have seen a small move higher but remain below the EMA resistance band while the RSI is near neutral at 51.
- 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: Upside moves considered as countertrend.
- We continue to see momentum support as the RSI is above its trendline and making new highs. Price has now closed above the USD 99.75 level, if we hold above it then it will support a near-term bull argument, while a close and hold above the USD 101.20 could create renewed buying interest. However, out Elliott wave analysis indicates that the 5-wave pattern lower is bearish impulse, suggesting it is a corrective wave A, implying upside moves should be considered as countertrend, providing we remain below the USD 106.77 resistance. Above USD 107.77 reduce the probability of price trading to a new low.