FIS Iron Ore Offshore

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Iron Ore Sep 26 (rolling Front Month Daily)

Support		Resistance		Current Price	Bull	Bear
S1	96.80	R1	101.20	98.15		RSI below 50
S2	95.43	R2	102.57			
S3	93.65	R3	103.53			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA’s
- RSI is above 50 (43)
- Stochastic is below 50
- Technical outlook previously: Upside moves considered as countertrend.
- We continued to see momentum support last week as the RSI was above its trendline and making new highs. Price had closed above the USD 99.75 level, if we held above it then it would 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 indicated 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 remained below the USD 106.77 resistance. Above USD 106.77 reduce the probability of price trading to a new low.
- The RSI closed below trend support, resulting in price testing but remaining above the USD 96.80 fractal low. We are 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: Sell side pressure increasing
- The futures are yet to trade below the USD 96.80 fractal low; however, it looks like we are trading in the bearish wave C at this point; confirmation below USD 96.80 is still needed. Fibonacci projection levels suggest that we have a potential downside target at USD 91.87; however, downside breakouts to a new low will create a positive divergence with the RSI, warning sell side momentum could slow down. The divergence is a condition, not a buy signal, confirmation would have to come from bullish price action.