FIS

Iron Ore Offshore Intraday Technical

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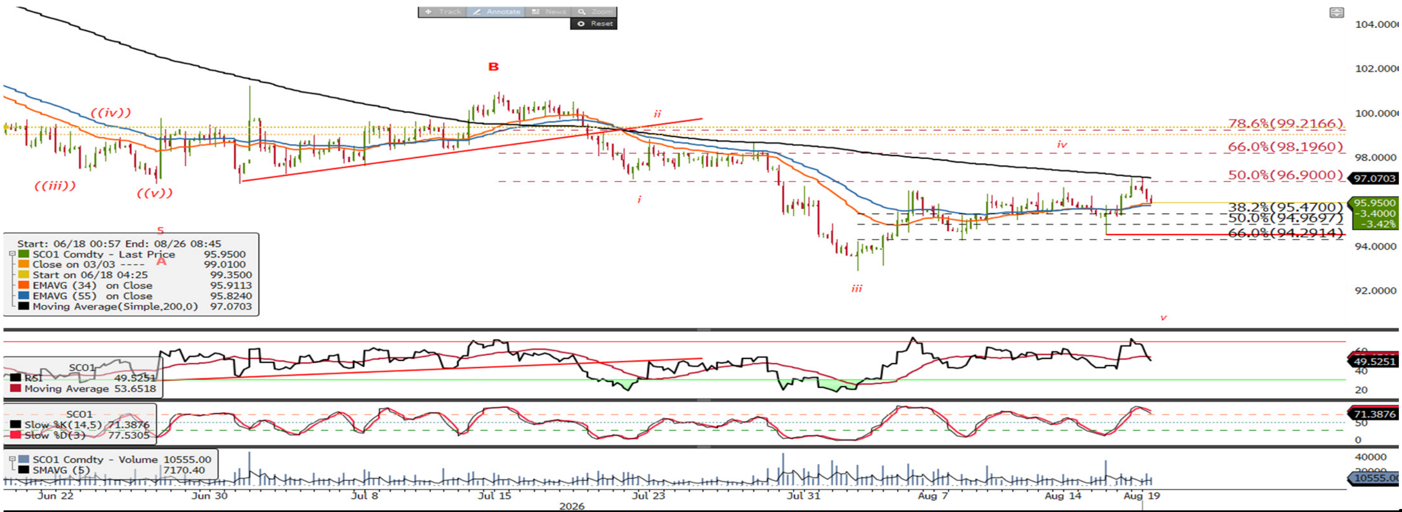
Iron Ore Sep Offshore



Support		Resistance		Current Price	Bull	Bear
S1	95.68	R1	96.90	95.95		Stochastic overbought
S2	95.47	R2	97.07			
S3	94.96	R3	98.19			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is below 50 (49)
- Stochastic is overbought
- Price is above daily pivot level USD 95.68
- Technical Outlook Previously: Upside moves considered as countertrend.
- We noted previously that downside rejection on higher volume implied intraday support at USD 94.50; however, this was countering our Elliott wave analysis that implied upside moves should still be considered as countertrend, providing we remained below the USD 98.19 Fibonacci resistance. We also noted that the daily chart was showing a 3-wave move higher; a pattern that was often related to corrective phase, meaning we continue to be cautious on higher moves.
- The futures have tested but rejected the intraday 200-peiord MA at USD 97.07. We are above the EMA support band with the RSI near-neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 95.68 with the RSI at or above 56 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Upside moves that fail at or below USD 98.19 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Upside moves considered as countertrend.
- Price action remains supported but we are in the process of potentially rejecting the intraday 200-period MA. Our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend; however, a close and hold above the 200-period MA would leave the USD 98.19 resistance vulnerable. If broken, then the probability of the futures trading to a new low will start to decrease. As highlighted in the close report, for downside continuation the futures will need to trade below the USD 94.50 fractal support.