FIS Iron Ore Offshore

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Iron Ore Sep 26 (rolling Front Month Daily)

Support		Resistance		Current Price	Bull	Bear
S1	93.65	R1	96.90	95.65		RSI below 50
S2	91.87	R2	98.20			
S3	89.33	R3	98.70			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is above 50 (44)
- Stochastic is at 50
- Technical outlook previously: Upside moves considered as countertrend.
- Sell side pressure increasing
- We noted previously that the futures were yet to trade below the USD 96.80 fractal low; however, it looked like we were trading in the bearish wave C at that point; confirmation below USD 96.80 was still needed. Fibonacci projection levels suggested that we had a potential downside target at USD 91.87; however, downside breakouts to a new low would create a positive divergence with the RSI, warning sell side momentum could slow down. The divergence was a condition, not a buy signal, confirmation would have to come from bullish price action.
- The futures sold to a low of USD 92.85 before finding bid support. We remain below the EMA resistance band with the RSI below 50.
- Upside moves that fail at or below USD 98.20 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
- The futures remain in a bearish trending environment with price seeing bid support due to a positive RSI divergence. However, our lower timeframe Elliott wave analysis is suggesting upside moves should be considered as countertrend, providing we remain below the USD 98.20 resistance. Marget buyers should act with caution if price trades above the USD 98.70 fractal high, as it will warn that buyside pressure is increasing. We maintain our view based on Fibonacci projection levels that we have a potential downside target at USD 91.87.