Iron Ore Offshore Intraday Technical

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

Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	94.55	R1	95.28	94.70	Stochastic oversold	RSI below 50
S2	93.80	R2	95.66			
S3	92.74	R3	96.05			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (29)
- Stochastic is oversold
- Price is below daily pivot level USD 95.28
- Technical Outlook Previously: Positive divergence
- The futures had traded at a new low on Thursday, resulting in a second divergence. This was not a buy signal, it was a condition that warned sell side momentum could slow down, confirmation was needed from price. A close and hold above the trend resistance at USD 96.56 with the RSI holding above 40 would warn that intraday buyside pressure was increasing, leaving resistance vulnerable. Conversely, downside moves below USD 95.45, supported by the RSI making new lows, would signal bearish momentum confirmation, suggesting the USD 95.05, USD 93.80 and USD 94.50 support levels could be tested. The divergence is a warning, but does suggest caution on lower moves while it is in play.
- The futures sold to a low of USD 94.40 with the RSI initially making new lows, signaling bearish momentum confirmation; however, there is currently a minor divergence in play. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 95.28 with the RSI at or above 39 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 96.57 would level the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook: Minor divergence
- Fibonacci projection levels imply we have the potential to trade at a low of USD 93.80 in the near-term, and potentially as low as USD 92.80. However, the new low in the Asian day session means we have a minor, positive RSI divergence in play. This is not a buy signal, it is a warning that sell side momentum could slow, but needs confirmation from bullish price action to signal it is being respected. If the RSI makes a new low, the bearish momentum confirmation will leave the USD 93.80 level increasingly vulnerable. The divergence needs to be monitored to see if it is being respected.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com