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	89.69	R1	92.45	91.55		RSI below 50
S2	88.25	R2	92.92			
S3	87.50	R3	93.10			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (39)
- Stochastic is above 50
- Price is on daily pivot level USD 91.56
- Technical Outlook Previously: Positive divergence
- The new low yesterday had resulted in another positive RSI divergence, a condition that warned that sell side momentum could slow down. The futures were above the secondary trend resistance line, this supported the divergence, as it also warned that sell side momentum could potentially slow; however, an upside moves above the intraday fractal resistance at USD 91.75 with the RSI above 40 was needed to signal that buyside pressure could be increasing. We identify USD 93.55 as the key resistance to follow; throw-backs that rejected this level would warn of a more complex corrective phase. Conversely, above USD 93.55, the probability of the futures trading at a new low would begin to decrease. The divergence was a warning that we could be exhausting, but needed con-firmation from bullish price action.
- The futures have traded above the USD 91.75 fractal resistance; however, the RSI has failed to reclaim 40. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 91.56 with the RSI at or below 26.5 would mean price and momentum are aligned to the sell -side; likewise, a close below this level would mean it is aligned to the sell side. Upside moves that fail at or below USD 93.55 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook: Neutral
- Technically the move above the USD 91.75 resistance suggests price is supported; however, the RSI has failed to reclaim the 40 level while the EMA band continues to show a bearish slope, meaning we still need to see more upside from this technical. If the RSI fails to reclaim 40, then we could test the USD 90.95 low again; the caveat, a new low has a high probability of creating further positive divergences, implying caution on downisde breakouts. We are neutral as we need to see more from this technical.

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