# FIS Iron Ore Offshore

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## Iron Ore Nov 26 (Rolling Front Month Weekly)




| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 89.54 | R1 | 97.66 | 90.60 | RSI below 50 | |
| S2 | 88.40 | R2 | 101.35 | | | |
| S3 | 75.00 | R3 | 104.28 | | | |

### Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55-period EMA's
- RSI is below 50 (37)
- Stochastic is below 50
- Technical outlook previously: Upside moves considered as countertrend.
- We noted last week that the downside move to the USD 91.40 support had resulted in an intraday bearish Elliott wave extension, suggesting upside moves should be considered as countertrend. The futures were testing the 100% Fibonacci projection of the previous wave at USD 91.35, making this a natural area of support. A close and hold below this level would warn of further weakens. However, the RSI was at 32 with 27-25 being a historical support area, suggesting breakdowns in price have the potential to become overextend fairly quickly. We identify USD 95.39 as a key resistance to follow, pullbacks above this level would reduce the probability of price trading at a new low. The 252 period z-score indicate that price is 2.42% standard deviations below the yearly average, again, warning we are starting to look overextended to the downside in the near-term; however, we do acknowledge that it did achieve 2.75% in April.
- The futures traded at a low of USD 9095 before trading up to USD 92.75, p[rice is once again coming under pressure resulting in the futures achieving new lows. We are looking at the **weekly technical** today. The futures are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 97.66 would leave the futures vulnerable to further tests to the downside, above this level the technical would re-enter bullish territory.
- Technical outlook: Approaching support
- We know that the intraday technical is now divergent with the RSI due to the new low, warning we have the potential to see sell side momentum slow down. On the daily technical, the 252 period Z-Score is at 2.41 standard deviations below the 1 year moving average, this implies that price is looking overextended to the downside. With both the RSI and Z-Scopre, bullish setups are needed to confirm that they are being respected. Because of these two indicators, we are currently cautious on lower moves. Our issue is the weekly chart. We have a key longer-term support at USD 88.40, below this level there is a void down to USD 75.00. From a technical perspective we are overextended to the downside; however, if we start to close and hold below USD 88.40, then this technical will be in trouble, as there are no historical support levels until we reach USD 75.00.

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