



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore Sep 24 Morning Technical Comment – 240 Min Chart



Support	Resistance	Current Price	Bull	Bear	
S1	101.17	R1	102.69	101.75	RSI above 50
S2	99.89	R2	105.75		
S3	99.00	R3	109.61		

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 101.17
- We remained bearish with a neutral bias yesterday, meaning the probability of the futures trading to a new low had started to decrease. The MA on the RSI implied that momentum remained supported at this point. However, we had a note of caution; if we looked on the daily chart, we could see that the RSI has broken resistance, but price had not. This was known as a hidden divergence and warned that price action was weaker than momentum, warning we could see support levels come under pressure. If we closed below and held below the 200-period MA (USD 99.83), then we could see the USD 97.75 support come under pressure. If broken, the technical would be back in bearish territory. We had some conflicts on the technical, we did have a neutral bias, but the hidden divergence implied caution on upside moves.
- The futures have seen an intraday move up to USD 102.75; however, it has failed to hold. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 101.17 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 61 will mean that it is aligned to the buyside. Downside moves that hold at or above 97.80 will support a near-term bull argument, below this level the USD 91.25 and USD 91.45 fractal support levels will start to look vulnerable.
- Technically bearish with a neutral bias, we noted yesterday the hidden divergence on the daily chart suggesting caution on upside moves. The intraday move above USD 102.60 means we now have a negative divergence in play. Not a sell signal it is a warning that we have the potential to see a momentum slowdown. The technical is suggesting caution on upside moves, as the futures are starting to look vulnerable to a technical pullback.

Chart source Bloomberg