Iron Ore Offshore 62 V 65 Technical

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Iron Ore Offshore April 62 V 65 Spread Daily Technical



	Support	Resistance	Current Price	Bull	Bear
S1	-13.21	R1 -12.78			
S2	-13.38	R2 -12.63	-13.12	RSI above 50	
S3	-13.98	R3 -12.38			

Synopsis - Intraday

Price is above the 34—period EMA 50 period SMA's

Chart source Bloomberg

- RSI is above 50 (53)
- Stochastic is above 50
- Technically bullish on the last report, the futures were selling lower due to the negative divergence in play. A close below that held below the trend support (USD 13.09) would warn that the USD 13.21 level could be tested and broken. If it was, then the probability of the spread trading to a new high would start to decrease. The MA on the RSI is indicating that momentum was supported, warning the USD 12.89 fractal high could come under pressure in very the near-term; However, a new high would create further negative divergence with the RSI. Not a sell signal, they warned that we could see a momentum slowdown, which would need to be monitored. We were a cautious bull at those levels, as the divergence suggested that an upside breakout could struggle to hold.
- The spread broke trend support before trading to a high of USD 12.92; however, the small upside move remained below the trend line (now a resistance USD 12.81), which acted as a resistance, resulting in price selling lower.
- Downside moves that hold at or above USD 13.21 will support a bull argument, a close below this level will mean the technical will have a neutral bias, whilst a close below USD 13.38 will mean the technical is bearish.
- Technically bullish but in a corrective phase, the MA on the RSI implies we have light momentum weakness. The spread is now approaching the USD 12.21 support, if broken the probability of price trading to a new high will start to decrease. The failure to trade to a new high, due to the divergence in play, alongside the break in trend support, is warning that support levels could be tested and broken. For this reason, we maintain a note of caution on upside moves, as the technical suggests that they could struggle to hold.

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