

Iron Ore Offshore July 62 V 65 Spread Daily Technical



Support		Resistance		Current Price	Bull	Bear
S1	-10.50	R1	-8.46	-9.50	RSI above 50	
S2	-11.11	R2	-7.86			
S3	-11.59	R3	-7.26			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34—period EMA 50 period SMA's
- RSI is above 50 (71)
- Stochastic is oversold
- Technically bullish in the last report, the July contract had produced a close 26% above its 200-period MA (USD –12,.99) before entering a corrective phase. Price and the RSI did make new highs, whilst the recent move higher was greater than 161.8% than that of the previous wave, indicting it was bullish impulse, meaning downside moves had a greater chance of being countertrend. Intraday market profile charts over the last 30 days are showing high volume nodes between USD—11.00 and USD –11.90, suggesting this has the potential to act as a support zone. However, if we did trade below USD -12,23, then the probability of the spread trading to new high would start to decrease, warning market sellers were in control.
- The spread traded to a low of USD –10.41 before finding bid support. We remain above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD - 12.23 will support a bull argument, a close below this level will mean the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is weak at this point. However, medium term moving averages are in an upward trajectory, warning we remain in a bullish trending environment. This is supported but the market profile chart over the last 30 days, which highlights intraday support between USD -10.50—USD -11.10. Fibonacci projection levels suggest that we have the potential to trade as high as USD –7.26, if we close above the USD –9.58; however, we do have a note of caution on upside breakouts, as a new high will create a negative divergence with the RSI. Not a sell signal, it warns that we could see a momentum slowdown, which will need to be monitored. A daily close below the market profile support USD 11.10 will warn that the USD –12.23 Fibonacci support could be tested and broken. If it is, then the probability of price trading to a new high will start to decrease.