

Iron Ore Offshore Oct 62 V 65 Spread Intraday Technical



Support		Resistance		Current Price	Bull	Bear
S1	15.20	R1	15.97	15.66	RSI above 50	
S2	14.82	R2	16.99			
S3	13.67	R3	17..90			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 20—period MA
- 21 period RSI is above 50 (53)
- 2—period RSI is at (92)
- Bearish based on price yesterday, above USD 15.87 the spread would be bullish. Upside moves that traded and held above the linear regression line (USD 15.15) would warn that the USD 16.99 level could come under pressure; however, we noted that you would need a Bollinger band expansion for price to hold. Conversely, market sellers would need to be cautious on downside moves as they approached USD 13,14, as this was two standard deviations below the linear line, whilst Bollinger support is at USD 13.62. The linear line at USD 15.15 was the key near term resistance to follow, if it held, we moved lower.
- The futures have closed above the linear regression line with price trading above the USD 15.87 fractal resistance, meaning the spread is bullish based on price. We are above the 20-period MA with the RSI above 50.
- Technically bullish, the MA on the RSI implies we have light momentum support. However, the futures are finding resistance at the upper Bollinger band (USD 15.97), whilst the 2-period RSI is at 92. Near-term price action is vulnerable to a move lower, making the linear regression/20-period MA the key support area to follow (USD 15.20—USD 14.82). Corrective moves that test and hold above this zone will warn that the USD 16.99—USD 17.90 fractal resistance levels could be tested. Conversely, a close below USD 14.82 will indicate sell side pressure is increasing. The Bollinger band resistance, and 2-period RSI, suggest that to move higher price will need to see a corrective pullback towards the support zone highlighted.