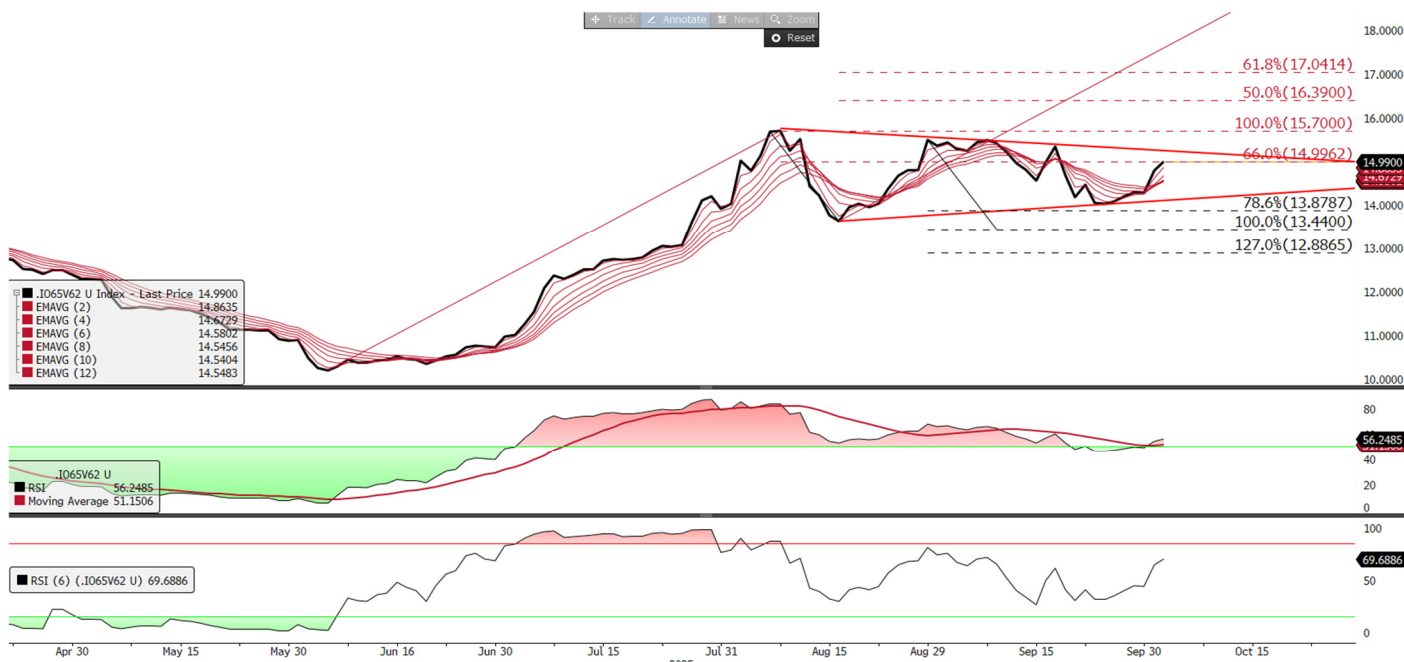


Iron Ore Offshore Oct 65 V 61 Spread



Support		Resistance		Current Price	Bull	Bear
S1	14.10	R1	14.99	14.99	RSI above 50	RSI below 50
S2	13.87	R2	15.23			
S3	13.44	R3	15.70			

Synopsis - Intraday

- Price is above the EMA support band
- 21 period RSI is above 50 (42)
- Technically bullish but with a neutral bias, the index is now consolidating within a symmetrical triangle pattern. Due to the rising and falling trend, this pattern implies neutrality as the technical lacks directional bias.
- The spread has held trend support (currently USD 14.10) resulting in the futures testing but yet to break our key resistance at USD 14.99. We are above the EMA support band with the RSI above 50.
- Upside moves that fail at or below 14.99 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Near-term price action is currently neutral due to the symmetrical triangle pattern. Normally this is considered as continuation pattern; however, we tend to get more positive results in the early part of the trend, whereas this pattern has formed after a 54% move higher. A close above trend resistance (USD 15.23) will warn that the USD 15.70 fractal high could be tested and broken. A new high will create a negative divergence with the RSI, meaning we are cautious on upside breakouts, as they could struggle to hold. Price has moved above the support band, the RSI is above 50 and its MA, implying buyside pressure is increasing, leaving resistance vulnerable. The positioning of the symmetrical, and the divergence above us suggest we could see a false upside breakout (fake out)

Chart source Bloomberg