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Iron Ore Offshore Intraday Technical

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Iron Ore Offshore Dec 25 Morning Technical Comment—240 Min Chart Technical

Support		Resistance		Current Price	Bull	Bear
S1	102.85	R1	104.91	104.85	Stochastic oversold	RSI below 50
S2	102.40	R2	105.27			
S3	100.99	R3	105.42			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is above 50 (41)
- Stochastic is oversold
- Price is below daily pivot level USD 105.27
- The move below USD 104.46 yesterday meant that the technical was back in bearish territory. The MA on the RSI implied that momentum was weak, whilst the RSI and price were making new lows, warning upside moves had the potential to be countertrend. The futures had reverted back to the intraday 200-period MA (USD 104.73), meaning price is at an inflection point. A close that held below the average would weaken the technical further; conversely, a close that held above it would warn we could see another intraday test to the upside in the near-term. We were cautious on upside moves due to the price entering bearish territory, supported by weak momentum.
- A small upside move in the Asian evening session failed to hold, resulting in price selling lower. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 105.27 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 106.12 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum remains weak. High volume bear candles alongside the RSI making new lows continues to suggest that upside moves should be considered as countertrend, making USD 106.21 the key resistance to follow. If broken, then the probability of the futures trading a new low will start to decrease. Conversely, a close above the high of the last dominant bear candle (USD 104.50) will imply that sell side pressure is easing. Fibonacci projection levels suggest we have the potential to trade as low as USD 102.40 in the near-term; as this is the 100% projection of the previous bear wave, we have the potential to attract buying interest around this area.