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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	103.95	104.45	Stochastic oversold	RSI below 50
S2	102.40	R2	104.57			
S3	100.99	R3	105.15			

Chart source Bloomberg

Synopsis - Intraday

- Price is below the 34 - 55 period EMA's
- RSI is above 50 (42)
- Stochastic is oversold
- Price is below daily pivot level USD 103.95
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. High volume bear candles alongside the RSI making new lows continued 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 would start to decrease. Conversely, a close above the high of the last dominant bear candle (USD 104.50) would imply that sell side pressure was easing. Fibonacci projection levels suggest we have the potential to trade as low as USD 102.40 in the near-term; as this was the 100% projection of the previous bear wave, we have the potential to attract buying interest around this area.
- The futures traded to a low of USD 102.70 before finding light bid support. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 103.95 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 105.93 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 at this point. Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 105.93 the key resistance to follow; above this level the probability of the futures trading to a new low will start to decrease. We continue to highlight USD 102.40 as a potential area of support, as this is the 100% Fibonacci projection of the previous bear wave.