FIS 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	104.27	R1	105.30	104.65	RSI above 50	Stochastic overbought
S2	104.13	R2	106.15			
S3	103.38	R3	107.60			

Chart source Bloomberg

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above daily pivot level USD 104.13
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. Our Elliott wave analysis suggested that intra-day downside moves should be considered as countertrend, making USD 102.12 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease; conversely, upside moves that failed at or below USD 105.30 would warn that there could be a larger, bearish Elliott wave cycle in play (W,X,Y). Momentum support and Elliott wave analysis suggested that down-side moves should be countertrend, meaning resistance levels remained vulnerable. If we closed and held below the 200-period MA (USD 104.27), then the futures would be vulnerable to an intraday throwback, bringing the USD 102.12 support into focus.
- The futures have traded to a high of USD 104.95 with price remaining above the intraday 200-period MA (USD 104.27). We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 104.13 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 102.12 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the downside move in the Asian day session has failed to hold below the intraday 200-peirod MA, resulting in price moving higher. The MA on the RSI implies that momentum is supported, warning the USD 105.30 resistance could be tested and broken. If it is, then it will further support a buyer's argument. Conversely, a rejection of this level will warn that we could be looking at a more complex corrective phase in the form of a W, X, Y pattern (double A, B, C pattern with X being the interconnecting move higher). The technical has momentum support but price needs to hold above the intraday 200-perod MA, if we do, then resistance could be tested and broken. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend; however, the 1-hour RSI is divergent, leaving the futures vulnerable to an intraday throwback, warning Fibonacci support could come under pressure in the near-term.