FIS

Iron Ore Offshore Intraday Technical

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Iron Ore Aug Offshore

Support		Resistance		Current Price	Bull	Bear
S1	99.53	R1	100.95	100.25	RSI above 50	
S2	98.85	R2	103.10			
S3	98.18	R3	106.76			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA’s
- RSI is below 50 (70)
- Stochastic is above 50
- Price is above daily pivot level USD 98.85
- Technical Outlook Previously: Neutral
- The broader trend remained bearish with upside moves considered to be considered a countertrend, providing the USD 106.76 resistance is not breached. Near-term price action was neutral with price looking to test the rising trend support at USD 98.03; a close and hold below the support line would leave market sellers to test the USD 96.80 fractal low.
- The futures held the trend support line yesterday resulting in bid support in the Asian day session. 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 98.85 with the RSI at or below 52.5 would mean price and momentum are aligned to sell side. Upside moves that fail at or below USD 100.95 would leave the futures vulnerable to further tests to the downside, above this level, the technical will have a neutral bias.
- Technical Outlook: Buyside pressure increasing
- The upside moves has resulted in the futures closing above the intraday 200-period MA at USD 99.53; if we hold above the average it will warn that resistance levels could come under further pressure. We noted previously that the initial downside moves consisted of 5-waves (marked on the chart), suggesting we had seen a completion of a bearish wave A, implying upside moves should be considered as countertrend (wave B). We continue to mark USD 106.76 is the key resistance on the longer-term technical. With the RSI holding trend support and breaching the 70 level, momentum indicates that buyside pressure is increasing in the near-term. Market buyers should act with caution on a close and hold back below the 200-period MA, as it would suggests price is losing upside momentum.