Iron Ore Offshore Intraday Technical

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Iron Ore Aug Offshore

Support		Resistance		Current Price	Bull	Bear
S1	99.37	R1	100.18	99.60		RSI below 50
S2	98.80	R2	100.95			
S3	97.32	R3	103.10			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Price is below daily pivot level USD 100.18
- Technical Outlook Previously: Supported
- The near-term technical remained supported while above the intraday 200-period MA last week. However, the broader trend was still considered as bearish, with pullbacks considered to be countertrend while below the USD 106.76 level. We noted that market bulls should be cautious on a close and hold below the 200-period MA at USD 99.42, as it would signal weakening price action. For downside continuation, price would also need to close and hold below the trend support line at USD 98.48.
- Price is showing slight weakness having previously traded at a high of USD 100.95. 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 at or above USD 100.18 with the RSI at or above 56.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 106.76 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Weakening momentum
- Price remains above the 200-period MA at USD 99.37 and the trend support line at USD 98.80, the RSI is in the process of breaking trend support, warning momentum is weakening. The weakening momentum can forewarn that price is about to weaken, it is not prerequisite that price will. For confirmation that price is weakening, we will need to see a close and hold below the trend support at USD 98.80. We continue to be cautious on higher moves based on our Elliott wave analysis, while the RSI trend break is warning that the technical condition could be about to weaken.