FIS

Iron Ore Offshore Intraday Technical

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Iron Ore Aug Offshore

Support		Resistance		Current Price	Bull	Bear
S1	96.80	R1	98.64	97.10	Stochastic oversold	RSI below 50
S2	95.18	R2	99.13			
S3	93.40	R3	100.95			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (17)
- Stochastic is oversold
- Price is below daily pivot level USD 98.64
- Technical Outlook Previously: Sell side pressure increasing
- The close below the trend support line previously indicated that sell side pressure was increasing; however, price needed to remain below the line, otherwise it would signal underlying support. The RSI had breached both the 40-and-30 levels, implying momentum weakness, suggesting the USD 96.20 fractal low was vulnerable.
- The futures have traded at a low of USD 97.00, we remain 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 at or above USD 98.64 with the RSI at or above 36.5 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: Support vulnerable
- The RSI at 17 is considered to be oversold; however, this is not a buy signal, as the move below 30 indicates momentum weakness, suggesting pullbacks should be considered as countertrend. Fibonacci projection levels would imply that the USD 95.18 support could be tested. Caution on upside moves is warranted.