Iron Ore Offshore Intraday Technical

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Iron Ore Aug Offshore

Support		Resistance		Current Price	Bull	Bear
S1	96.80	R1	99.31	98.15		RSI below 50
S2	95.18	R2	100.95			
S3	93.40	R3	103.10			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above daily pivot level USD 97.56
- Technical Outlook Previously: Support vulnerable
- The RSI at 17 was considered to be oversold yesterday; however, this was not a buy signal, as the move below 30 indicated momentum weakness, suggesting pullbacks should be considered as countertrend. Fibonacci projection levels would implied that the USD 95.18 support could be tested. Caution on upside moves was warranted.
- The futures failed to trade lower yesterday resulting in price finding light bid support. We remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle at or below USD 97.56 with the RSI at or below 28.5 would mean price and momentum are aligned to the sell side. 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: Upside moves considered as countertrend.
- Our Elliott wave analysis implies that upside moves should be considered as countertrend, while price has failed to trade below the USD 96.80 fractal low. The RSI is now testing trend resistance at 50, if we reclaim the 50 line it will signal momentum pressure is increasing, warning the trend resistance at USD 99.31 could be tested. This is a key level on the technical, if we close and hold above it, then it will warn of buyside support, leaving price vulnerable to an intraday move higher in the near-term. Conversely, if we reject either the momentum or price resistance line, it would suggest that market sellers remain dominant, meaning support should in theory come back under pressure.