FIS

Iron Ore Offshore Intraday Technical

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Iron Ore Sep Offshore

Support		Resistance		Current Price	Bull	Bear
S1	97.09	R1	98.19	97.10	RSI above 50	Stochastic overbought
S2	96.65	R2	99.21			
S3	96.03	R3	100.95			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above daily pivot level USD 97.09
- Technical Outlook Previously: Buyside pressure increasing
- The upside move in the Asian day session yesterday meant that the futures had closed above the intraday 200-period MA at USD 96.74; if we held above the average it would signal buyside pressure was increasing, warning the USD 98.19 resistance could be tested and broken. If it was, then the probability of the futures trading to a new low would begin to decrease. Conversely, market longs should act with caution on a close back below the longer-term average. The upside move did have intraday volume support, while the RSI had breached the 70 level, this suggested that the USD 98.19 resistance could fail.
- Having traded at a high of USD 98.00 the futures have seen price come back under pressure. WE remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting as the RSI is back below its MA.
- A close on the 4-hour candle above USD 97.09 with the RSI at or above 60.5 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Upside moves that fail at or below USD 98.19 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Supported
- A failed RSI swing high has resulted in price selling lower. We noted in the close report that a bullish flag had formed increasing the probability of the USD 98.19 resistance being breached; however, this has not been the case. Technically price is still considered as supported, as we remain above the intraday 200-period MA at USD 96.65. A close and hold back below the average, having rejected the USD 98.19 resistance would signal that sellers are becoming dominant. Although supported, we have more of a neutral view due to the conflicting signals; we should note that the move lower is on reduced volume, this does support a buyers argument at this point.