FIS

Iron Ore Offshore Intraday Technical

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Iron Ore Sep Offshore

Support		Resistance		Current Price	Bull	Bear
S1	97.36	R1	98.19	98.10	RSI above 50	
S2	96.34	R2	99.21			
S3	95.67	R3	100.95			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above daily pivot level USD 97.36
- Technical Outlook Previously: Supported
- A failed RSI swing high yesterday had resulted in price selling lower. We had noted in the close report previously that a bullish flag had formed increasing the probability of the USD 98.19 resistance being breached; however, this had not been the case. Technically price was still considered as supported, as we remained 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 had more of a neutral view due to the conflicting signals; we noted that the move lower is on reduced volume, this did support a buyers argument at that point.
- Having sold lower on reduced volume yesterday, while holding above the intraday 200-period MA at USD 96.56, we have seen upside continuation. Price is 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 97.36 with the RSI at or below 61.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 94.77 will support a buyer's argument, below this level the techcnial we re-enter bearish territory.
- Technical Outlook: Negative divergence
- The upside move to a new high has resulted in the USD 98.19 resistance being breached, this means that the probability of price trading to a new low has started to decrease. However, the counter argument to the resistance break is a negative RSI divergence. This is a condition that warns buyside pressure could slow down, it is not a sell signal and needs confirmation from bearish price action. For upside continuation, the divergence will need to fail. The technicals are currently conflicting, meaning we continue to have more of a neutral bias at this point.