FIS Iron Ore Offshore Intraday Technical

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Iron Ore Sep Offshore



Support		Resistance		Current Price	Bull	Bear
S1	96.97	R1	98.19	97.85	RSI above 50	
S2	96.50	R2	99.21			
S3	95.86	R3	100.95			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (57)
- Stochastic is above 50
- Price is on daily pivot level USD 97.89
- Technical Outlook Previously: Negative divergence
- The upside move to a new high yesterday had resulted in the USD 98.19 resistance being breached, this meant that that the probability of price trading to a new low had started to decrease. However, the counter argument to the resistance break was a negative RSI divergence. This was a condition that warned buyside pressure could slow down, it was not a sell signal and needed confirmation from bearish price action. For upside continuation, the divergence needed to fail. The technicals were currently conflicting, meaning we continued to have more of a neutral bias at this point.
- Price remains supported but the upside momentum has stalled, suggesting we are starting to respect the negative RSI divergence. We remain above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 97.89 with the RSI at or above 65 would mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 95.87 would support a buyer's argument, below this level the technical will have a neutral bias.
- Technical Outlook: Negative divergence
- The momentum slowdown based on price is warning that the market is responding to the negative RSI divergence, leaving price vulnerable to a move lower. A move below USD 96.95 would suggest that sell side pressure is increasing; however, throwbacks that hold at or above the USD 95.86 support would indicate that the upside move is bullish impulse, warning resistance levels remain vulnerable. Conversely, a move below USD 95.86 would indicate that the move higher has a higher probability of being part of a larger corrective phase.

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