Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	99.12	R1	100.41	99.30	RSI above 50	Stochastic overbought
S2	98.50	R2	100.95			
S3	97.83	R3	101.59			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above daily pivot level USD 99.12
- Technical Outlook Previously: Negative divergence
- We noted previously that the momentum slowdown based on price was warning that the market was 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 was 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 remained 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.
- The futures sold to a low of USD 97.50 before finding bid support, resulting in the divergence failing. We aew above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 99.12 with the RSI at or above 68.5 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. Downside moves that hold at or above USD 96.62 would support a buyer's argument, below this level the technical will have a neutral bias.
- Technical Outlook: Negative divergence
- The upside move to a new high suggests we have seen a lower timeframe bullish Elliott wave extension. Price has traded back up to the USD 98.50 resistance, above this level the RSI would be divergent with price, warning buyside momentum has the potential to slow down. Wave analysis does suggest that downside moves should be considered as countertrend, providing throwbacks hold at or above the USD 96.62 Fibonacci support. Downside moves below USD 98.50 would indicate that the futures are entering a corrective phase, warning support levels could come under pressure in the near-term. With the potential to diverge above USD 99.50, while the RSI is also below its moving average, we currently have a cautious approach to upside breakouts.

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