Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	99.62	R1	101.37	100.60	RSI above 50	Stochastic overbought
S2	99.36	R2	102.50			
S3	99.17	R3	103.91			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above daily pivot level USD 99.36
- Technical Outlook Previously: Negative divergence
- We noted on Thursday that the futures had traded at a high of USD 99.55, meaning we had an negative RSI divergence in play. The divergence was a condition that warned that buyside momentum could slow down, it was not a sell signal, but needed to be monitored. Fibonacci projection levels indicated that we have a potential upside target at USD 100.49 for this phase of the cycle. Based on our higher timeframe Elliott wave count, downside moves were still considered as countertrend. Due to the divergence, the technical warranted a cautious approach to higher moves at those levels.
- The futures have traded above the USD 100.49 level, we remain 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 99.36 with the RSI at or below 55 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 98.59 would support a buyer's argument, below this level the technical will have a neutral bias.
- Technical Outlook: Downside moves considered as countertrend
- The upside move to new highs has resulted in a lower timeframe bullish wave extension, indicating downside moves should be considered as countertrend. Throwbacks that hold at or above USD 98.55 will support a near-term bull argument, below this level will signal price is entering a higher timeframe corrective phase; however, the broader trend (wave cycle) remains bullish, implying downside moves would still be considered as countertrend, even if the USD 98.55 support is breached.

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