Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	94.50	R1	96.00	95.35	Stochastic oversold	RSI below 50
S2	93.10	R2	97.54			
S3	92.85	R3	98.27			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (21)
- Stochastic is oversold
- Price is below daily pivot level USD 96.00
- Technical Outlook Previously: Cautious on upside moves
- The move below the USD 95.74 support yesterday implied that the probability of there being a larger bull cycle had started to decrease, meaning we are now cautious on higher moves. The RSI was below 30, signaling weak momentum, supporting our cautious approach to market pullbacks. We noted that this pullback indicated that our original Elliott wave count was wrong, warning the USD 92.85 fractal low is now vulnerable.
- The futures have seen a small move lower. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 96.00 with the RSI at or above 26.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 99.25 would level the futures vulnerable to further tests to the downside, above this level the technical would re-enter bullish territory.
- Technical Outlook: Upside moves considered as countertrend
- The new low in the futues has resulted in a minor positive RSI divergence on the 4-hour time, it is more prominent on the 1-hour timeframe. The divergence is a condition that warns sell side momentum could slow down, it is not a buy signal and will need confirmation from price that buyside pressure is increasing. However, as highlighted previously, the depth of the pullback does suggest that upside moves should be considered as countertrend. We are cautious on lower moves at these levels due to the divergence; if price and momentum become aligned to the buyside it will leave price vulnerable to an intraday countertrend move higher.

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