Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	97.02	R1	97.45	97.25	RSI above 50	
S2	95.05	R2	98.20			
S3	94.50	R3	99.20			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (61)
- Stochastic is above 50
- Price is above daily pivot level USD 97.02
- Technical Outlook Previously: Supported
- We noted on Thursday that having see the RSI reclaim the 40 level the futures remained supported with price and momentum aligned to the buyside. The RSI was near-neutral at 49, if we moved above 50 we would have positive velocity and acceleration, warning the 200-period MA at USD 97.31 could be tested. However, as highlighted previously, we maintained a note of caution on upside moves, as the depth of the pullback supported by weak momentum, warn we could struggle to hold. The market was supported, but from a technical perspective up-side moves should be treated with caution at that point.
- We maintained a cautious approach to higher moves in the weekly report on Friday as the corrective structure warned that upside moves had the potential to be countertrend. However, we acknowledged that the daily RSI had held the 40 level, implying momentum support. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 97.02 with the RSI at or below 54.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 99.20 would level the futures vulnerable to further tests to the downside, above this level the tech-nical would re-enter bullish territory.
- Technical Outlook: Inflection point
- The futures are testing but remain below the intraday 200-period MA at USD 97.02, meaning we are at an inflection point. If we reject the average, then support levels remain vulnerable; however, a close and hold above the intraday 200-period MA would suggest buyside pres-sure is increasing, warning resistance levels could be tested. The depth of the pullback and lack of a 3 wave corrective structure suggest caution on upside moves while below the USD 99.20 resistance. Above USD 99.20 the futures will re-enter bullish territory, at this point, we would have a cautious approach to market throwbacks due to the increase in buyside pressure. We are cautious on upside moves but have a more neutral approach to the technical due to the daily timeframe momentum support, as there are conflicting signals on the technical at this point.

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