FIS Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	93.80	R1	94.99	93.95	Stochastic oversold	RSI below 50
S2	92.85	R2	95.35			
S3	92.74	R3	95.80			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (22)
- Stochastic is oversold
- Price is below daily pivot level USD 94.99
- Technical Outlook Previously: Minor divergence
- Fibonacci projection levels yesterday implied that we had the potential to trade at a low of USD 93.80 in the near-term, and potentially as low as USD 92.80. However, the new low in the Asian day session meant that we had a minor, positive RSI divergence in play. This was not a buy signal, it is a warning that sell side momentum could slow, but needed confirmation from bullish price action to signal it is being respected. If the RSI made a new low, the bearish momentum confirmation will leave the USD 93.80 level increasingly vulnerable. The divergence needed to be monitored to see if it is being respected.
- The futures have sold at a low of USD 93.90 supported by the RSI making new lows. 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 94.99 with the RSI at or above 36 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 96.40 would level the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook: Support vulnerable
- This technical is a double edged sword at these levels. The bearish momentum confirmation suggests that the USD 93.80 and USD 92.85 support levels are vulnerable; however, the RSI is now at 22, historically we have seen support around the 19 level. Caution will be warranted if the RSI tests 19. Support is vulnerable; however, downside moves have the potential to be limited based on the RSI placement.

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