Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	93.88	R1	95.01	94.30		RSI below 50
S2	92.85	R2	95.25			
S3	92.74	R3	96.22			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Price is above daily pivot level USD 93.88
- Technical Outlook Previously: Minor divergence
- Support vulnerable
- We noted yesterday that the technical was a double edged sword at those levels. The bearish momentum confirmation suggested that the USD 93.80 and USD 92.85 support levels were vulnerable; however, the RSI was at 22, historically we had seen support around the 19 level. Caution would be warranted if the RSI tested 19. Support was vulnerable; however, downside moves had the potential to be limited based on the RSI placement.
- The futures sold at a low of USD 93.35 before finding bid support, we remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 93.88 with the RSI at or below 29.5 would mean price and momentum are aligned to the sell-side. Upside moves that fail at or below USD 96.22 would level the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook: caution on downside breakouts
- The futures are seeing light bid support resulting in the RSI moving back up to 40; however, we are yet to close and hold above it. The RSI is moving higher faster than price, suggesting support remains vulnerable, this also means that if we see a downside breakout below USD 93.35 it could result in a positive RSI divergence, warning sell side momentum could slow down. Support remains vulnerable in the near-term, but from a technical perspective, downside moves have the potential to be limited.

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