FIS Iron Ore Offshore

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Iron Ore Oct 26 (Rolling Front Month Daily)



Support		Resistance		Current Price	Bull	Bear
S1	97.71	R1	99.83	99.60	RSI above 50	Stochastic overbought
S2	96.27	R2	100.95			
S3	94.50	R3	102.52			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Technical outlook previously: Buyside pressure increasing
- We noted last week that the upside move above the USD 98.20 level warned that the probability of the futures trading to a new low had started to decrease, indicating buyside pressure was increasing. Having held the 40 level the RSI had reclaimed 50, it was showing positive velocity and positive acceleration, meaning momentum was supported. On the sell side, the intraday technical was divergent with the RSI, warning we could see an intraday move lower. A close below the trend support line at USD 96.21 would signal sell side pressure was increasing; conversely, if the support line holds, it would signal the intent for upside continuation. The strength of the upside move had momentum support, warning that the corrective phase looks like it may have completed.
- The futures have continued to see bid support resulting in price trading at a high of USD 99.70. We are above the EMA resistance band with the RSI above 50.
- Downside moves that hold at or above USD 96.27 will support a bull argument, below this level the futures will re-enter bearish territory.
- Technical outlook: Downside moves considered as countertrend
- The futures have traded at new highs, resulting in a negative RSI divergence forming on both the daily and intraday timeframes. The divergence is not a sell signal, it is a warning that we could see a momentum slowdown, this will need to be monitored. On the buy-side, our Elliott wave analysis is indicating that downside moves should be considered as countertrend, providing throwbacks hold above the USD 96.27 level. Below USD 96.27 the probability of price trading at new highs will begin to decrease.

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