Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	89.69	R1	91.64	91.25	Stochastic oversold	RSI below 50
S2	88.25	R2	92.45			
S3	87.50	R3	92.92			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below daily pivot level USD 91.64
- Technical Outlook Previously: Neutral
- We noted yesterday that the move above the USD 91.75 resistance suggested price was supported; however, the RSI had failed to reclaim the 40 level while the EMA band continues to show a bearish slope, meaning we still need to see more upside from this technical. If the RSI failed to reclaim 40, then we could test the USD 90.95 low again; the caveat, a new low had a high probability of creating further positive divergences, implying caution on downside breakouts. We were neutral as we need to see more from this technical.
- The futures have seen a small move lower but remain above the USD 90.95 fractal low. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 91.64 with the RSI at or below 32 would mean price and momentum are aligned to the sell-side; likewise, a close above this level would mean it is aligned to the buyside. Upside moves that fail at or below USD 93.55 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook: Neutral
- Unchanged on the technical again this morning. As highlighted yesterday, the move above the USD 91.75 resistance implied that price was supported; however, the RSI remains below the 40 level at this point, warning that the USD 90.95 fractal support remains vulnerable at this point. The RSI will be divergent with price on a move below the USD 90.95 level; this is a condition that warns sell side momentum could slow, it will need confirmation from bullish price action to confirm that the divergence is being respected.

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