FIS Iron Ore Offshore Intraday Technical

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Iron Ore Nov Offshore



Support		Resistance		Current Price	Bull	Bear
S1	89.69	R1	91.43	91.40		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 (41)
- Stochastic is above 50
- Price is below daily pivot level USD 91.43
- Technical Outlook Previously: Neutral
- Unchanged on the technical yesterday. As highlighted previously, the move above the USD 91.75 resistance implied that price was supported; however, the RSI remained below the 40 level at this point, warning that the USD 90.95 fractal support remained vulnerable at that point. The RSI would be divergent with price on a move below the USD 90.95 level; this was a condition that warned that sell side momentum could slow, we needed confirmation from bullish price action to confirm that the divergence was being respected.
- We noted in the close report that due to a negative reversal pattern in play the futures would need to trade above USD 92.20 to signal an increase in buyside pressure. The futures have traded higher; however, this has been met with a high volume upside rejection candle. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 91.43 with the RSI at or below 38.5 would mean price and momentum are aligned to the sell side-side; likewise, a close above this level with the RSI at or above 43.5 would mean it is aligned to the buy-side. 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
- The upside move above USD 92.20 signaled buyside pressure was increasing, this has been neutralized by the high volume rejection candle that warns the USD 90.95 low could be tested and broken. The caveat, below USD 90.95 the futures will be divergent with the RSI, implying caution on moves below this level. The divergence is a condition, it is not a buy signal, it will need to produce bullish price action to signal it is being respected. Due to the high volume rejection candle, price will now need to close above the USD 92.75 level to signal an increase in buyside pressure.

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