Iron Ore Offshore Intraday Technical

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Iron Ore Nov Offshore



Support		Resistance		Current Price	Bull	Bear
S1	90.81	R1	92.11	91.15		RSI below 50
S2	88.40	R2	92.65			
S3	88.25	R3	93.37			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above daily pivot level USD 90.81
- Technical Outlook Previously: : Neutral
- We noted on Thursday that the upside move above USD 92.20 signaled buyside pressure was increasing, this had been neutralized by the high volume rejection candle that warned the USD 90.95 low could be tested and broken. The caveat, below USD 90.95 the futures would be divergent with the RSI, implying caution on moves below this level. The divergence was a condition, it was not a buy signal, it would need to produce bullish price action to signal it was being respected. Due to the high volume rejection candle, price would need to close above the USD 92.75 level to signal an increase in buyside pressure.
- The futures traded at a low of USD 90.40 before finding bid support on the positive RSI divergence. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 90.81 with the RSI at or below 40 would mean price and momentum are aligned to the sell side-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: Positive divergence
- The futures are seeing light bid support on the positive RSI divergence; however, a close above the high volume rejection candle at USD 92.75 is still needed to signal and increase in buyside pressure. We maintain a cautious approach to downside breakouts below USD 90.40, as it would create further positive RSI divergences. Caution is warranted on lower moves if the divergence fails, as the bearish momentum confirmation would warn of further deterioration in the technical. We highlight USD 88.40 as a key level, this is a weekly support. A close and hold below USD 88.40 would signal higher timeframe weakness, as there is a limited support in the market below this level.

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