Iron Ore Offshore Intraday Technical

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Iron Ore Nov Offshore



Support		Resistance		Current Price	Bull	Bear
S1	89.69	R1	91.14	90.50		RSI below 50
S2	88.40	R2	91.93			
S3	88.25	R3	92.50			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (35)
- Stochastic is at 50
- Price is above daily pivot level USD 91.14
- Technical Outlook Previously: Positive divergence
- The futures were seeing light bid support on the positive RSI divergence yesterday; however, a close above the high volume rejection candle at USD 92.75 was still needed to signal and increase in buyside pressure. We maintained a cautious approach to downside breakouts below USD 90.40, as it would create further positive RSI divergences. Caution was 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, as this was 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.
- The futures have traded at a low of USD 90.10, creating another positive RSI divergence. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 91.14 with the RSI at or above 43 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 93.26 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 new low has resulted in the futures creating another RSI divergence; a condition that warns that we could see sell side momentum slowdown. Upside moves above the new fractal resistance at USD 91.70 would signal an increase in buyside pressure, warning Fibonacci resistance levels could be tested. As highlighted previously, we identify USD 88.40 as a key support on the weekly timeframe, a close and hold below this level would signal higher timeframe technical weakness, as there is limited support below this level. The divergence suggests caution on lower moves, it is not a buy signal, confirmation that the divergence is being respected will come form a move above USD 91.70.

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