Iron Ore Offshore Intraday Technical

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Iron Ore Nov Offshore



Support		Resistance		Current Price	Bull	Bear
S1	89.69	R1	90.67	90.25	Stochastic oversold	RSI below 50
S2	88.40	R2	91.71			
S3	88.25	R3	92.32			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below daily pivot level USD 90.67
- Technical Outlook Previously: Positive divergence
- Unchanged on the technical yesterday; price was consolidating due to the divergence, below USD 90.10 would create further divergences, a condition that warned that we could see sell side momentum slowdown. Upside moves above USD 91.70 would signal an increase in buyside pressure, warning Fibonacci resistance levels could be tested. As highlighted previously, we identified 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 was limited support below this level. The divergence suggested caution on lower moves, it is not a buy signal, confirmation that the divergence was being respected will come from a move above USD 91.70.
- The futures have seen a small test to the downside with price trading at a low of USD 89.75 before seeing light bid support. We remain 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 90.67 with the RSI at or above 44 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 93.14 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 remain in divergence, warning sell side momentum could slow down; however, we need to see evidence that the divergence is being respected. Although the divergence dates back to the 05/10, it is the near-term RSI support that we are focusing on. If the RSI breaks this support, then we will look to test the USD 88.40 level. This is a key number on the weekly chart, below USD 88.40 there is a gap down to USD 75.00. A close and hold below USD 88.40 will have bearish implications for the technical, regardless of where momentum indicators are.

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