

Iron Ore Nov Offshore



	Support		Resistance	Current price	Bull	Bear
S1	89.20	R1	90.55	89.85	Stochastic oversold	RSI below 50
S2	88.40	R2	91.23			
S3	86.05	R3	91.36			

Synopsis- Intraday

- Price is below the 34-55 period EMA's
- RSI below 50 (27)
- Stochastic is oversold
- Price is below the daily pivot level (USD 91.23)
- Intraday Technical Outlook Previously: Bollinger resistance
- The futures remained below the 252-day lower Bollinger band resistance at USD 91.45 yesterday. We noted that the intraday RSI had rejected the 60 level; momentum was weakening but there had been little movement in price at that point. While below the lower Bollinger band support remained vulnerable; for upside continuation we needed a daily close and hold above the Bollinger resistance, preferably supported by the intraday RSI reclaiming the 60 level.
- The futures rejected the lower Bollinger Band resulting in price selling to a low of USD 89.45, 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 91.23 with the RSI at or above 50 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 91.36 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook: Bearish Elliott wave extension
- The move to a new low means we have seen a downside Elliott wave extension. Fibonacci projection levels indicate that we have a near-term downside target at USD 88.45 with the potential to trade as low as USD 86.05. The caveat, a close and hold below the weekly support at USD 88.40 could warn of further weakness, as there is little long-term support (based off price) until USD 75.00. On the daily chart, we do have a positive RSI divergence in play; this is a condition that warns that sell side momentum could slow down, it is not a buy signal and would need confirmation from bullish price action. Intraday upside moves above USD 91.36 would reduce the probability of price trading at a new low. A stronger bull signal would be a daily close and hold above the lower 252-period Bollinger band at USD 91.29.