

Iron Ore Nov 26 (Rolling Front Month daily)



Support	Resistance	Current price	Bull	Bear
S1	R1	90.65	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis- Intraday

- Price is below the 8-21 period EMA's
- RSI below 50 (38)
- Stochastic is oversold
- Technical Outlook Previously: Caution on downside moves
- The futures continued to test downside support last week; however, price remained divergent with the RSI on the intraday timeframe, warning sell side momentum could slow down. As highlighted previously, a close and hold below the USD 88.40 support would warn that the technical could deteriorate further, as there are no historical support levels down to USD 75.00. Although divergent, support levels remained vulnerable as the daily RSI was moving higher faster than price, warning the USD 89.70 level could come back under pressure in the near-term. We were cautious on downside breakouts below USD 89.70 while the divergence was in play.
- The futures traded at a low of USD 89.45; however, price is finding light bid support on a daily divergence. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 91.36 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Positive RSI divergence
- The move to a new low means that we have seen a bearish Elliott wave extension; Fibonacci projection levels suggest we have a near-term downside target at USD 88.46 with the potential to trade as low as USD 86.05 within this phase of the cycle. However, the new low means we have a positive RSI divergence, a condition that warns that sell side momentum could slow down, it is not a buy-side signal with confirmation needed from bullish price action. The divergence needs to be monitored closely and suggests a cautious approach is warranted in lower moves. Upside moves above USD 91.35 would reduce the probability of price trading at a new low, while a move above the USD 92.35 fractal resistance would signal an increase in buy-side pressure. We also note that market sellers should act with caution on a close and hold above the 252-period lower Bollinger band, as this would also warn that support is starting to strengthen. As highlighted previously, a close and hold below the USD 88.40 weekly support would warn that the technical could deteriorate further, as there are no historical support levels based on price down to USD 75.00.

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