



Oil and Ore Intraday Morning Technical

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Brent Feb 22 Morning Technical Comment – 240 Min

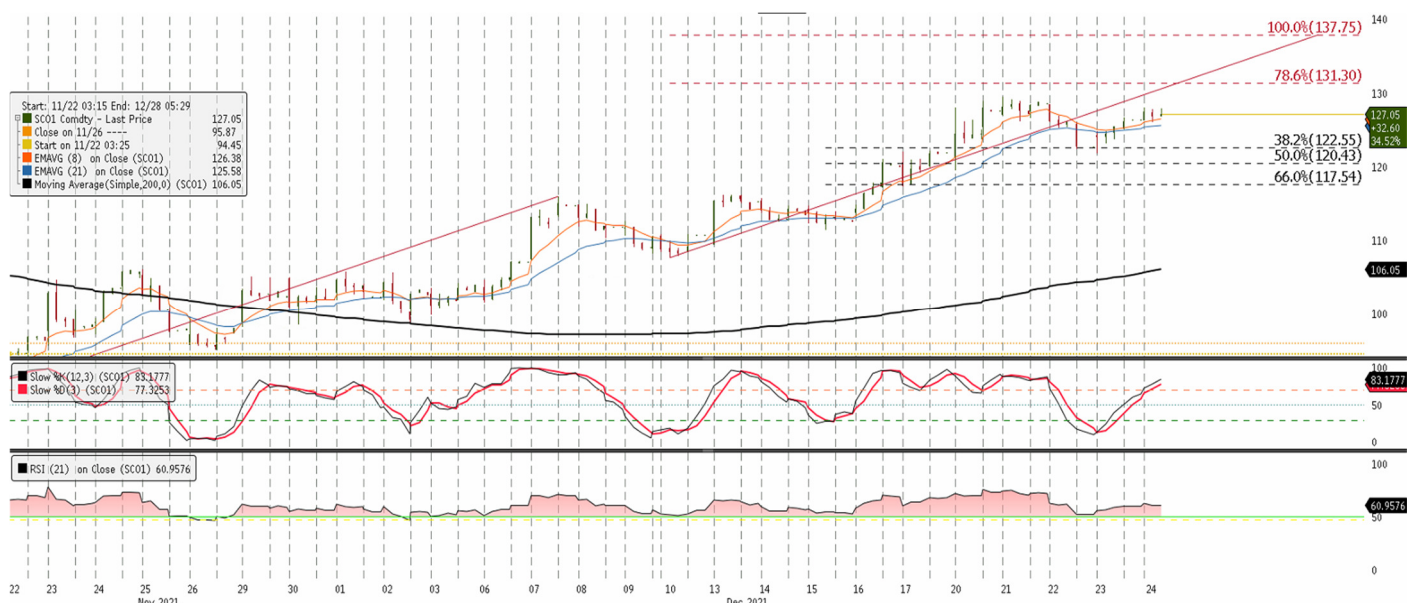


	Support	Resistance	Current Price	Bull	Bear
S1	75.53	R1	76.15	RSI above 50	Stochastic overbought Chart source Bloomberg
S2	75.25	R2	77.12		
S3	74.78	R3	78.50		

Synopsis - Intraday

- Price is between the 8—21 period EMA's
- RSI is above 50 (53)
- Stochastic is oversold
- Price is below the daily pivot point USD 76.15
- The downside move held above our key support level yesterday resulting in the intraday futures moving higher. The fact we have moved higher is warning of either a new bullish wave cycle or an extension of the original, based on the information on the chart at this point it looks to be a new cycle. However, corrective moves below USD 74.78 would be bearish meaning the technical is bearish
- Downside moves that hold at or above USD 75.53 will support a bull argument, below this level the pull back is considered as deep, warning the USD 74.78 support could be tested
- Technically bullish and in trend the stochastic is oversold whilst the RSI is above 50, momentum is warning that we are vulnerable to a test to the upside.

Iron Ore Offshore Jan 22 Morning Technical Comment – 240 Min Chart (rolling contract)



	Support	Resistance	Current Price	Bull	Bear
S1	124.40	R1	127.05	RSI above 50	Stochastic overbought
S2	122.55	R2			
S3	121.80	R3			

Chart source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point at 124.40
- As noted yesterday momentum was warning the technical was vulnerable to a test to the upside and this has been the case. Price is above the 8-21 period EMA's supported by the RSI above 50. Intraday price and momentum conflicting
- A close on the 4-hour candle below USD 124.40 with the RSI at or below 9 would mean P&M are aligned to the sell side. Likewise, a close above this level with the RSI at or above 63.5 would mean it is aligned to the buyside.
- Downside moves below USD 121.80 would indicate we are entering a more complex corrective phase. Market pullbacks that hold at or above USD 117.54 will support a bull argument, below this level the technical becomes neutral/bullish
- Upside moves that trade above the USD 129.45 high the potential to create a negative divergence with the RSI, not a sell signal it does warn that we could see a momentum slowdown, they can and do fail at times
- Technically bullish and in trend; however the potential for a negative divergence at higher levels needs to be monitored.

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