



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore April 23 Morning Technical Comment – 240 Min Chart



Support		Resistance		Current Price	Bull	Bear
S1	118.75	R1	121.80	120.05	Stochastic oversold	RSI below 50
S2	117.95	R2	123.58			
S3	116.38	R3	125.35			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Price is above daily pivot point USD 118.75
- Technically bearish yesterday, the mean reversion gap with the 34-period EMA is back above USD 6.00 (nearly USD 7.00), the downside move yesterday meant that we had a positive divergence with the RSI in play. Not a buy signal, it did warn that we have the potential to see a momentum slowdown and needed to be monitored. Intraday wave analysis suggested we had a downside target between USD 116.38 – USD 113.07 for this phase of the cycle, we maintained our view that upside moves should be considered as countertrend. Bearish, but a note of caution due to the divergence. We have seen the futures move higher on the Asian open, but price remains below the EMA resistance band with the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 118.75 with the RSI at or below 32 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 127.70 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will have a neutral bias.
- Technically bearish, upside moves above USD 121.80 will mean the intraday technical is bullish, suggesting resistance levels will be vulnerable. This will also mean that the lower timeframe wave cycle will have completed; however, we still maintain our view that upside moves will be considered as countertrend. Price is moving higher on the back of a divergence, whilst the MA on the is RSI now flattening, implying sell side momentum is slowing down. Downside moves below USD 117.95 will create a second positive divergence with the RSI, meaning we are now cautious on downside moves from here for the time being.

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