



# Iron Ore Offshore Intraday Morning Technical

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## Iron Ore Offshore June 23 Morning Technical Comment – 240 Min Chart



Support		Resistance		Current Price	Bull	Bear
S1	104.70	R1	108.40	107.65	RSI above 50	Stochastic overbought
S2	103.69	R2	11.50			
S3	102.40	R3	114.15			

### Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above daily pivot point USD 104.70
- Technically bullish based on price with the MA on the RSI suggesting momentum was supported yesterday; however, we did have a minor divergence with the RSI on the 4-hour technical (this is more prominent on the 1-hour chart) that was warning the futures were vulnerable to a momentum slowdown which needed to be monitored, making USD 100.01 the key support to follow. As noted yesterday, we look to have completed a 5-wave pattern lower (wave C) supporting a bull argument. However, if we did see the futures trading below the USD 94.20 level it will mean that there is a larger bear cycle in play. The futures remained supported, but if the RSI moved below its MA, we could see some form of technical pullback. The futures moved sideways for most of the session with price coming under a little pressure into the close. This meant that the RSI did start to move below 50, warning support levels could be vulnerable; however, the move failed to hold, meaning that when the 4-hour candle closed the RSI was on its MA, not below it. The futures have moved higher in the Asian day session, price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 104.70 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 100.64 will support a bull argument, below this level the technical will have a neutral bias.
- This current upside move is now testing the USD 108.40 resistance, this is the 100% Fibonacci projection level of the initial upside wave. The futures are at a key resistance, with the stochastic in divergence. We have previously noted that we look to have completed a 5-wave pattern lower, that looked to be an Elliott wave C completion; however, we have noted previously that downside moves to a new low would mean that there was a larger bear cycle in play. This is because a move below USD 94.20 would mean there is a higher timeframe bearish 5-wave pattern in play, indicating the move down from the USD 133.05 high would become a very large wave A. We are bullish based on price, but we still need to be convinced that this move is bullish impulse and not a corrective wave within a larger cycle, meaning we need to see higher pricing; preferably above 161.8% Fibonacci extension (USD 115.07) as would then be a classic bullish impulse wave. Key support is at USD 100.64, if it is broken, then market bulls should be cautious due to the depth of the pullback.

Chart source Bloomberg

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