



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	R1	105.55	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (53)
- Stochastic is oversold
- Price is below daily pivot point USD 106.99
- We previously noted that the futures were testing the USD 108.40 resistance, this is the 100% Fibonacci projection level of the initial upside wave, the technical we as at a key resistance, with the stochastic in divergence. We noted that we look to have completed a 5-wave pattern lower, that looked to be an Elliott wave C completion; however, we have also highlighted 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 was 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 were bullish based on price, but we still needed to be convinced that the move was bullish impulse and not a corrective wave within a larger cycle, meaning we needed to see higher pricing; preferably above the 161.8% Fibonacci extension (USD 115.07), as would then be a classic bullish impulse wave. Key support was at USD 100.64, if broken, then market bulls should be cautious due to the depth of the pullback. We have seen a technical pullback but remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 106.99 with the RSI at or above 59.5 will mean price and momentum are aligned to the buyside. 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 technical continues to remain subjective as price has rejected the USD 108.40 resistance with the MA on the RSI suggesting momentum is weak. However, the RSI is above 50 with the stochastic in oversold territory, if the RSI can hold above 50 then momentum warns that we could move higher. Price is currently holding above key support, but the move down is on the back of a lower timeframe divergence; this could be because we are preparing for another intraday cycle higher, or the recent upside move is countertrend. Adding more confusion to the technical, the daily RSI is at 45 with the stochastic is in overbought territory. Neutral.

Chart source Bloomberg

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