



Iron Ore Offshore Intraday Morning Technical

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



Support		Resistance		Current Price	Bull	Bear
S1	105.48	R1	108.91	105.70	RSI above 50	
S2	103.31	R2	113.52			
S3	101.75	R3	119.77			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (60)
- Stochastic is above 50
- Price is above daily pivot point USD 105.48
- Technically bearish with a neutral bias yesterday, an upside move above USD 108.45 would have meant that the intraday technical was bullish based on price. However, our Elliott wave analysis suggested that the upside move was potentially a countertrend wave B of a larger bear cycle, making USD 119.77 the key resistance to follow. The MA on the RSI implied that intraday momentum was supported; however, there were signs that the buy-side momentum is slowing, warning we had the potential to see an intraday pull-back soon. The futures traded to a high of USD 108.40 before correcting; we remain above the EMA support band with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 105.48 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 67 will mean it is aligned to the buy-side. Upside moves that fail at or below USD 119.77 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 with a neutral bias, above USD 108.45 the intraday futures are bullish based on price, the Elliott wave cycle however will remain bearish. We now have a lower timeframe negative divergence with the RSI (1-hour chart) that's warning that we have the potential to see a momentum slowdown, warning support levels could come under pressure. We maintain our view that this upside move looks to be a countertrend Elliott wave B; the near-term technical has a 3-wave pattern higher with momentum implying that support levels could be vulnerable in the near-term. We should highlight that this corrective wave higher could still become a double wave 3, making USD 99.62 the key support to follow. If broken, the USD 94.00 support will become vulnerable, if we hold it will support a near-term intraday bull argument.

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