



# 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	106.34	R1	107.65	RSI above 50	
S2	103.31	R2			
S3	101.75	R3			

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (64)
- Stochastic is above 50
- Price is above daily pivot point USD 106.34
- Technically bearish with a neutral bias yesterday, above USD 108.45 the intraday futures are bullish based on price, the Elliott wave cycle however would remain bearish. We had a lower timeframe negative divergence with the RSI (1-hour chart) that warned that we had the potential to see a momentum slowdown, warning support levels could come under pressure. We maintained 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 would become vulnerable, if it held it would support a near-term intraday bull argument. The futures continue to consolidate with price just over USD 1.00 higher, we remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 106.34 with the RSI at or above 66.5 will mean price and momentum are conflicting; likewise, a close below this level will mean it is aligned to the sell 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 unchanged, we maintain our view that this upside move looks to be a countertrend Elliott wave B with lower timeframe momentum in divergence, suggesting caution on upside moves. Just an observation on the September DCE contract, we have seen an open intertest build on this recent upside move with volume steady; however, price is failing to make significant gains in recent days suggesting buy-side momentum could be slowing. On the market profile chart RMB 770 – RMB 768 seems to be an area of support over the last 5 days (last price at 770.5), if we do start to trade below this level, we could see some profit taking in the market. Likewise, if we hold, then it could result in further buy-side pressure. Cautious at these levels as we remain vulnerable to a technical pullback.

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