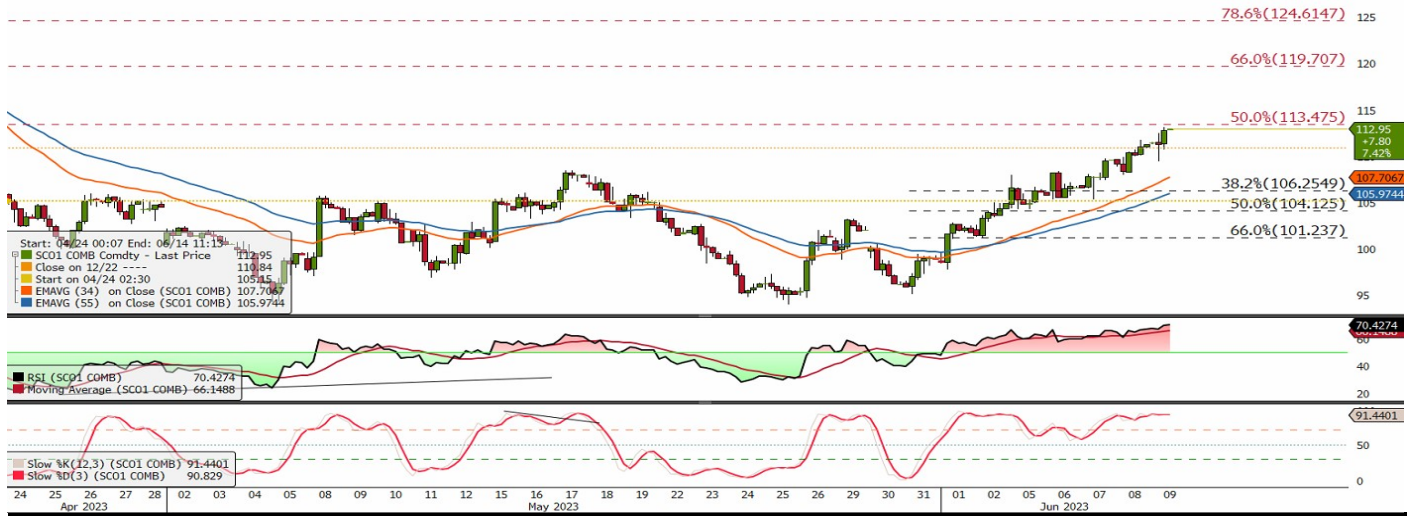




# Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	109.43	R1	112.95	RSI above 50	Stochastic overbought
S2	106.25	R2			
S3	104.12	R3			

### Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above daily pivot point USD 109.43
- The intraday technical was bullish based on price having made a higher high yesterday; however, the longer-term Elliott wave cycle suggested that we are potentially on a countertrend wave B. Open interest is rising whilst price was moving higher on decent volume on the DCE supporting the upside move. We should note that the lower timeframe SGX contract is in divergence with the RSI, not a sell signal, it continues to warn that we have the potential to see a momentum slowdown. Bullish based on price, we maintain a cautious view based on our Elliott wave analysis. The futures continue to move higher with the onshore aggregate open interest continuing to rise. Price is now approaching the USD 113.47 Fibonacci resistance and remains above the EMA support band, the RSI above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 109.43 with the RSI at or below 64 will mean price and momentum are 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 bullish based on price. We still have the lower timeframe divergences, but they are now marginal, meaning they have the potential to fail. However, as previously stated, we had a 5 wave move lower from the high of USD 133.05, which would suggest that this was a higher timeframe corrective Elliott wave A, meaning this upside move is potentially a countertrend wave B, making USD 119.70 the key resistance to follow. We acknowledge that near-term price action is bullish based on the rising aggregate open interest and volume on the DCE, meaning resistance levels are vulnerable. However, if our Elliott wave analysis is correct, then market longs still need to be cautious as there could potentially be a bearish wave C to follow this upside move.

Chart source Bloomberg

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