



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	106.25	R1	111.73	RSI above 50	
S2	104.12	R2	113.47		
S3	101.23	R3	119.70		

Synopsis - Intraday

- Price is above/between the 34-55 period EMA's
- RSI is above 50 (52)
- Stochastic is below 50
- Price is below daily pivot point USD 111.73
- Technically bullish based on price on Friday. We still had the lower timeframe divergences, but they were marginal, meaning they had the potential to fail. However, as previously stated, we had a 5 wave move lower from the high of USD 133.05, which suggested that this was a higher timeframe corrective Elliott wave A, meaning this upside move was potentially a countertrend wave B, making USD 119.70 the key resistance to follow. We acknowledge that near-term price action was bullish based on the rising aggregate open interest and volume on the DCE, meaning resistance levels were vulnerable. However, if our Elliott wave analysis was correct, then market longs still needed to be cautious as there could potentially be a bearish wave C to follow this upside move. The futures have now entered a corrective phase, we noted on Friday's close report that DCE open interest was starting to drop, warning we were seeing some profit taking in the market. Price is now trading on the 8-period EMA with the RSI still above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 111.73 with the RSI at or above 66 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 101.23 will support a near-term bull argument, below this level the USD 94.00 fractal low will be vulnerable.
- Technically bullish based on price, we remain cautious on upside moves as this looks to be a countertrend Elliott wave B. The MA on the RSI has started to turn lower, warning momentum is starting to weaken, meaning support levels could come under pressure. The drop in DCE open interest also warns that market longs are starting to exit.

Chart source Bloomberg

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