



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	109.67	R1	113.47	RSI above 50	
S2	106.25	R2	119.70		
S3	104.12	R3	124.61		

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (61)
- Stochastic is below 50
- Price is below daily pivot point USD 109.67
- Technically bullish based on price yesterday, we remained cautious on upside moves as we looked to be a countertrend Elliott wave B. The MA on the RSI had started to turn lower, warning momentum was starting to weaken, meaning support levels could come under pressure. The drop in DCE open interest also warned that market longs are starting to exit. Not really at technical move higher this morning as the move was driven by the surprise rate cut in China. The futures have held the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 109.67 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell 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. Likewise, upside moves that fail at or below USD 119.70 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical is bullish based on price with the support band holding yesterday, before the move higher today. Upside moves above USD 113.75 will create a negative divergence with the RSI, not a sell signal it will warn we have the potential to see a momentum slowdown and need to be monitored. Elliott wave analysis continues to suggest that upside moves should be considered as countertrend.
- Just a little observation. The aggregate open interest is a little lower today on the DCE. This would suggest that on the move higher, for every fresh long entering the market on the rate cut, there was an existing long selling out of their position. The drop in open interest means that more traders closed positions than opened. If we continue to move higher and open interest continues to fall, then it will warn that the upside move could be nearing exhaustion.

Chart source Bloomberg