



# 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	109.75	R1	110.75	Stochastic oversold	RSI below 50
S2	108.75	R2			
S3	107.05	R3			

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below daily pivot point USD 113.13
- Technically bullish based on price yesterday with the upside move looking like it could be a countertrend wave B within the Elliott wave cycle. The futures remained in divergence with price starting to consolidate, warning buyside momentum was starting to weaken. If the futures traded above the USD 114.65 high, it would suggest that we are seeing some form of wave extension, implying resistance levels could be vulnerable. We remained cautious on this upside move due to the negative divergence with the RSI. The futures have entered a corrective phase with price moving lower yesterday. We are now trading below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 113.13 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Downside moves below USD 107.05 will mean that the technical bearish.
- Technically we remain bullish based on price; however, due to the depth of the pullback, we now have a neutral bias. The MA on the RSI would suggest that momentum is weak whilst the RSI is making new lows, suggesting the USD 107.05 fractal support is starting to look vulnerable. Price is moving lower on the back of the negative divergence whilst the Elliott wave cycle is also bearish, if we do break the USD 107.05 support then we target USD 105.30 and USD 101.20 in the near-term. As noted yesterday, upside moves that trade above USD 114.65 will indicate we are seeing some form of Elliott wave extension, in what looks to be a countertrend wave B.

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