



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	114.65	RSI above 50	Stochastic overbought
S2	108.72	R2	119.70		
S3	107.05	R3	124.61		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below daily pivot point USD 108.72
- Technically bullish with a neutral bias on the last report based on the depth of the pullback. The MA on the RSI suggested that momentum was weak, whilst the RSI was making new lows, implying the USD 107.05 fractal support was starting to look vulnerable. Price was moving lower on the back of the negative divergence whilst the Elliott wave cycle was also bearish, if we did break the USD 107.05 support then we targeted USD 105.30 and USD 101.20 in the near-term. As noted previously, upside moves that trade above USD 114.65 would indicate that we were seeing some form of Elliott wave extension, in what looked to be a countertrend wave B. The futures traded to a low of USD 107.30, meaning key support has held; we have moved higher this morning after the Chinese Premier said that growth had picked up this quarter with more stimulus in store (Bloomberg). Price is now above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 108.72 with the RSI at or below 44 will mean price and momentum are aligned to the sell side.
- Technically bullish with a neutral bias, the Elliott wave cycle continues to suggest that the upside phase looks to have completed. If we do trade above USD 114.65 it will imply that we are seeing some form of wave extension within what looks to be a countertrend Elliott wave B. Likewise, below USD 107.05 the technical is bearish. If the wave cycle is correct, then this upside move today is potentially countertrend; however, we have a more neutral approach as premier Li Qiang's comments could test resilience of this wave cycle.

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