



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore Aug 23 Morning Technical Comment – 240 Min Chart



	Support	Resistance	Current Price	Bull	Bear
S1	113.67	R1	114.60	RSI above 50	
S2	112.73	R2			116.03
S3	111.60	R3			117.40

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (63)
- Stochastic is above 50
- Price is above the daily pivot point USD 113.00
- The futures had entered a corrective phase yesterday in what looked to be an intraday countertrend move, based on the RSI making new highs, meaning USD 110.96 is the key support to follow, as resistance levels remained vulnerable in the near-term. The MA on the RSI was starting to flatten meaning buyside momentum was starting to weaken. Key longer-term resistance on the daily chart is at USD 119.77, if this level was rejected it would warn that we are still on a larger countertrend wave B pattern; however, the wave cycle at this point is a little unclear as the recent upside move had been unexpected. The downside move held above the USD 110.96 level resulting in the futures trading to a new high, indicating yesterday's move was countertrend, price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 113.00 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 112.73 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 111.60 is the technical bearish.
- The upside move above USD 114.85 means the intraday technical is in divergence, not a sell signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. Intraday Elliott wave analysis would suggest that we have the potential upside target as high as USD 118.76; however, the minimum requirement for phase/cycle completion has now been achieved, for this reason we are now a cautious bull, as the futures are no longer considered a technical buy. Key longer-term resistance is at USD 119.70, upside moves that fail at or below this level will warn that we potentially remain within a larger countertrend wave B.

Chart source Bloomberg

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