



Iron Ore Offshore Intraday Morning Technical

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



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------|---------------------------------------|
| S1 | 100.77 | R1 | 105.29 | RSI above 50 Stochastic overbought |
| S2 | 99.20 | R2 | 107.17 | |
| S3 | 98.10 | R3 | 109.72 | |

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is below 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 100.77
- Technically unchanged yesterday, we remained bearish within a consolidation phase, intraday Elliott wave analysis suggested that upside moves should be considered as countertrend. The futures have moved higher with price now trading at the base of the Fibonacci resistance zone. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 100.77 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 109.72 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The upside moves means the futures have broken out of the consolidation phase, based on price, the intraday technical is bullish; however, the intraday Elliott wave analysis remains bearish with the upside move looking like it is countertrend. The move higher looks to be on the back of the DCE rebar move that started on the 15/08. The strong move in the RSI is warning that the futures are supported in the near-term, but the RSI is now entering a resistance zone warning we have the potential to see a momentum slowdown, giving us conflicting momentum signals. Based on the wave analysis and the placement of the RSI, we maintain our view that this upside move still looks to be countertrend at this point. If the futures do trade above the USD 109.72 level, then the pullback will be considered as deep, meaning the probability of the futures trading to a new low will have decreased, at this point we may have to re-evaluate the wave cycle.

Chart source Bloomberg

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