



# Iron Ore Offshore Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 103.87  | R1         | 106.55        | RSI above 50 | Stochastic overbought |
| S2 | 102.06  | R2         |               |              |                       |
| S3 | 101.57  | R3         |               |              |                       |

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is below 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 103.87
- The upside moves yesterday meant that the futures had broken out of the consolidation phase, based on price, the intraday technical was bullish; however, intraday Elliott wave analysis remained bearish with the upside move looking like it would be countertrend. The move higher looked to be on the back of the DCE rebar move that started on the 15/08. The strong move higher in the RSI warned that the futures were supported in the near-term, but the RSI was entering a resistance zone, warning we had the potential to see a momentum slowdown, giving us conflicting momentum signals. Based on the wave analysis and the placement of the RSI, we maintained our view that the upside move still looked to be countertrend. If the futures did trade above the USD 109.72 level, then the pullback would be considered as deep, meaning the probability of the futures trading to a new low would have decreased, at this point we would have to re-evaluate the wave cycle. The futures remain supported, but the upside move has slowed with price only USD 1.00 higher. We remain 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 103.87 with the RSI at or below 57 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.
- Technically bullish based on price but bearish within the Elliott wave cycle, the upside move is slowing with the RSI now in a resistance zone, whilst the stochastic is overbought, suggesting caution on moves higher at this point. Intraday Elliott wave analysis continues to suggest that the move higher looks to be countertrend.

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