



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	108.26	R1	111.73	RSI above 50	Stochastic overbought
S2	107.40	R2	115.15		
S3	106.31	R3	115.35		

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (72)
- Stochastic is overbought
- Price is above the daily pivot point USD 106.31
- We remained bullish based on price yesterday with the intraday Elliott wave cycle continuing to suggest that the current upside moved looks to be countertrend, making USD 109.72 the key resistance to follow. Above this level the pullback would be considered as deep, meaning the probability of the futures trading to a new low will have decreased. The RSI was back in its resistance zone, the new high meant we now have a negative divergence in play, not a sell signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. We maintained a cautious view on upside moves. The futures continued to move higher with price trading above our key resistance at USD 109.72, meaning the Elliott wave cycle although bearish, now has a neutral bias. 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 106.31 with the RSI at or below 62 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 106.23 will support a bull argument, below this level the technical will have a neutral bias.
- Bullish based on price, the depth of the upside move means that the probability of the futures trading to a new high has now decreased, warning that the bearish Elliott wave cycle could fail. The negative divergence that was in play yesterday has failed, as has the RSI resistance zone. We have conflicting momentum signals as the RSI on the 1-hour technical is in divergence, warning we could potentially see a momentum slowdown and enter a corrective phase. However, the 4-hour RSI has made a new high, suggesting that support levels could hold if tested in the near-term, making USD 106.23 the key support level to follow.

Chart source Bloomberg

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