



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	110.02	R1	115.15	RSI above 50	Stochastic overbought
S2	109.50	R2	119.70		
S3	108.82	R3	124.61		

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (76)
- Stochastic is overbought
- Price is above the daily pivot point USD 109.50
- Bullish based on price yesterday, the depth of the upside move meant that the probability of the futures trading to a new low had decreased, warning that the bearish Elliott wave cycle could fail. The negative divergence that was in play previously had failed, as had the RSI resistance zone. We had conflicting momentum signals as the RSI on the 1-hour technical was in divergence, warning we could potentially see a momentum slowdown and enter a corrective phase. However, the 4-hour RSI had 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. The futures continue to move higher with 1-hour divergence with the RSI failing. Price remains above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 109.50 with the RSI at or below 69 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 107.20 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish based on price with the longer-term Elliott wave cycle now neutral, the RSI continues to suggest that downside moves should be considered as countertrend at this point, making USD 107.20 the key support to follow. We remain cautious on upside moves as the futures have moved nearly 10% higher in a single wave with price over 6% above the EMA support band, leaving the technical vulnerable to an intraday pullback, as we now have the potential to see a mean reversion back to the EMA support band.

Chart source Bloomberg