



# Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear	
S1	114.08	R1	114.95	RSI above 50	Stochastic overbought	
S2	113.45	R2				118.62
S3	112.60	R3				120.47

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 114.08
- We remain technically bullish but in a consolidation phase on Friday. The futures were approaching a pressure point (inflection point) due to the futures making higher lows within the consolidation zone (rising trend line) whilst we had a plateau top. Upside moves that traded above and closed above the USD 114.85 resistance would suggest that we were on an intraday Elliott wave 5; using the William's method of price projection we had a potential upside target at USD 120.47. However, as noted previously (on the September contract), a new high would create a negative divergence with the RSI, not a sell signal it warned we had the potential to see a momentum slowdown which needed to be monitored. Downside moves below USD 112.00 would warn that momentum based on price is starting to weaken. We did see an upside breakout with the futures trading to a new high of USD 116.10 this morning before seeing a technical pullback around when the Asian day session closed. Price is above all key moving averages with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 114.08 with the RSI at or above 62 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 58 will mean it is aligned to the sell side. Downside moves that hold at or above USD 112.60 will support a bull argument, below this level the technical will have a neutral bias.
- The futures now look to be on a bullish Elliott wave 5 for this phase of the cycle, meaning the minimum requirement for phase completion has been met. Using the William's method, we have a potential upside target of USD 120.47; however, the new high means the futures are now in divergence with the RSI, not a sell signal it warns that we have the potential to see a momentum slowdown and will need to be monitored. A cautious bull due to the divergence, downside moves below USD 112.60 will be considered as deep, meaning the probability of the futures trading to a new high will have decreased.

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