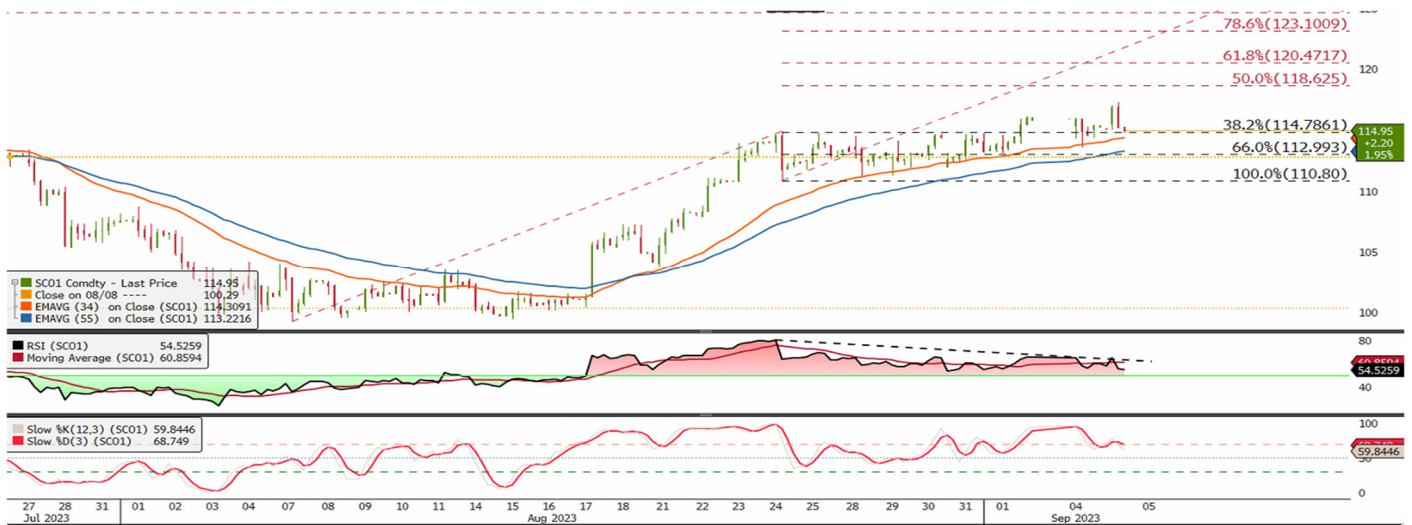




# Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear	
S1	114.78	R1	114.95	RSI above 50	Stochastic overbought	
S2	112.99	R2				118.62
S3	110.80	R3				120.47

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 114.75
- We noted yesterday that the futures looked to be on a bullish Elliott wave 5 yesterday, meaning the minimum requirement for phase completion had been met. Using the William's method, we had a potential upside target of USD 120.47; however, the new high meant the futures were in divergence with the RSI, not a sell signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. A cautious bull due to the divergence, downside moves below USD 112.60 would be considered as deep, meaning the probability of the futures trading to a new high will have decreased. The futures traded to a high of USD 117.25 in the day session; however, like yesterday we have seen price give back the Asian day session's gains. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 114.75 with the RSI at or above 63 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 112.99 will support a bull argument, below this level the technical will have a neutral bias.
- We remain in a bullish trending environment with the RSI still in divergence, warning that we have the potential to see a momentum slowdown. Elliott wave analysis continues to suggest that we have a potential upside target at USD 120.47. A cautious bull, we do still have the potential to move higher within this cycle; however, below USD 112.99 the probability of the futures trading to a new high will decrease, whilst below USD 112.00 would suggest the cycle has completed.

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