



# Iron Ore Offshore Intraday Morning Technical

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

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



Support	Resistance	Current Price	Bull	Bear
S1	118380	R1	124.15	Stochastic overbought
S2	117.25	R2	125.60	
S3	115.15	R3	127.05	

### Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 121.85
- The move into Dec yesterday changed the footprint of the technical a little on the rolling front month contract, as the December contract was yet to trade above the USD 123.75 fractal high. In theory, based on the move above USD 123.75 level in the November contract when it was the rolling front month, it suggested that the Dec contract was also likely to make new highs. We were bullish but continued to have a negative divergence with the RSI on the lower timeframe; this needed to be monitored as it warned that we had the potential to see a momentum slowdown. The futures traded to a high of USD 123.80 before seeing a small move lower. Price remains above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 121.85 with the RSI at or below 59 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above 115.15 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means we are now also in divergence with the RSI on the 4-hour timeframe, not a sell signal it does warn that we have the potential to see a momentum slowdown which will need to be monitored. Intraday Elliott wave analysis does suggest we have the potential to trade as high as USD 127.05 for this phase of the cycle; however, due to the divergence in play, we are now a cautious bull. The higher timeframe Elliott wave cycle remains bullish with downside moves considered as countertrend, making USD 115.15 the key support to follow. If broken, the probability of the futures trading to a new high will start to decrease, warning we could potentially see an Elliott wave failure.

Chart source Bloomberg

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