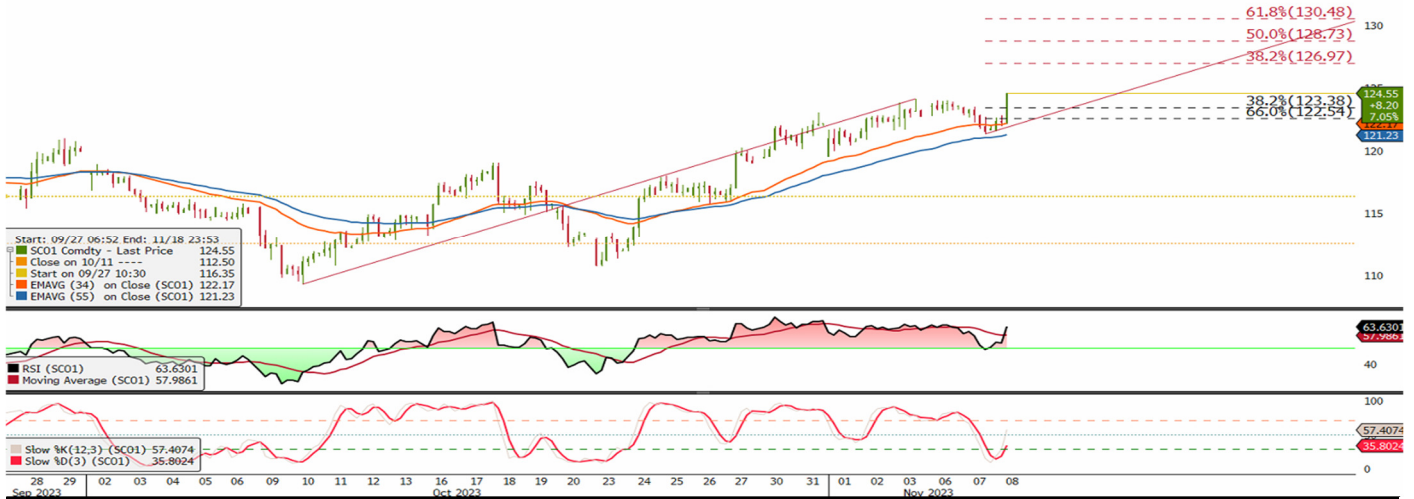




# Iron Ore Offshore Intraday Morning Technical

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



Support	Resistance	Current Price	Bull	Bear
S1	R1	124.50	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (63)
- Stochastic is oversold
- Price is above the daily pivot point USD 122.82
- We remained technically bullish yesterday with the futures seeing a small move lower on the back of the negative divergence with the RSI. Intraday Elliott wave analysis continued to suggest that we had a potential upside target at USD 127.10 for this phase of the cycle; however, due to the divergence we had a note of caution on upside moves. A close on the daily candle below USD 122.60 would warn that the EMA and Fibonacci support could be about to come under pressure. We maintained our view that downside moves should be considered as countertrend.
- Iron Ore Surges to 7-Month High After Country Garden Report (Bloomberg). The futures have just traded to a new high on the back of the news. 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 122.82 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above 122.54 will support a bull argument, below this level the technical will have a neutral bias.
- The technical has just got a little harder to read due to the shallow pullback and the move higher today. In theory, we have entered a bullish impulse wave 5 with intraday Elliott wave analysis suggesting we have the potential to trade as high as USD 130.48 for this phase of the cycle. However, this move will be about the time we spend elevated at high levels. If the upside move is short in time, it will most likely be the wave 5; however, our oscillator cross is marginal, if we spend enough time at elevated levels then it will suggest that we are looking at an extended wave 3, meaning downside moves will be countertrend. A little unclear on the technical due to the reactionary move higher this morning, we are in divergence warning we could see a momentum slowdown, which will need to be monitored. If the divergence fails, it will warn the move could be an extended wave 3.

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