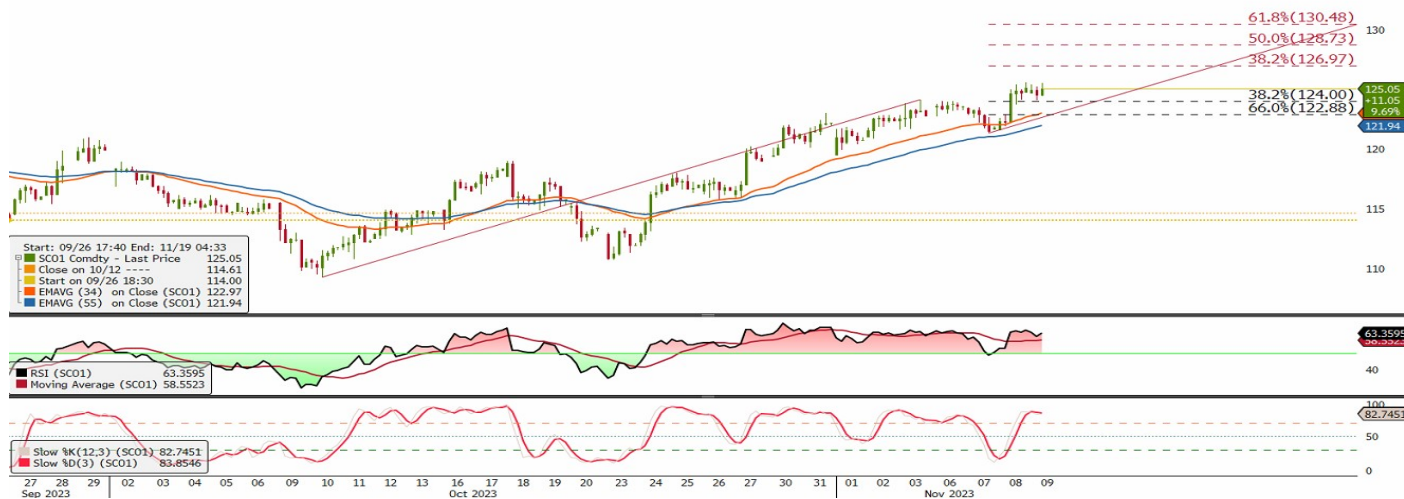




# Iron Ore Offshore Intraday Morning Technical

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



Support	Resistance	Current Price	Bull	Bear
S1	124.00	125.05	RSI above 50	Stochastic overbought
S2	123.57			
S3	122.88			
	R1	126.97		
	R2	128.73		
	R3	130.48		

### 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 123.57
- We noted that the technical had become difficult to read yesterday due to the shallow pullback being followed by the move higher. In theory, we had entered a bullish impulse wave 5 with intraday Elliott wave analysis suggesting we had the potential to trade as high as USD 130.48 for this phase of the cycle. However, we highlighted that time spent elevated at these high levels would be a factor. If the upside move was short in time, it would most likely be a wave 5; however, our oscillator cross was marginal, if we spent enough time at elevated levels then it would suggest that we were looking at an extended wave 3, meaning downside moves would be countertrend. A little unclear on the technical due to the reactionary move higher yesterday morning, we were in divergence warning we could see a momentum slowdown, which would need to be monitored. If the divergence failed, it would warn that the move could be an extended wave 3. The futures have seen a small move higher this morning having spent the rest of the session yesterday moving sideways. We remain 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 123.57 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above 122.88 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, at this point we still look to be on a bullish Elliott wave 5 (rather than an extended wave 3), meaning we have a potential upside target at USD 130.48. Downside moves below USD 122.88 will mean that the probability of the futures trading to a new high will decrease, whilst a move below USD 121.30 will mean the intraday technical is bearish. The futures remain in divergence that needs to be monitored.

Chart source Bloomberg

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