



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	129.95	RSI above 50	Stochastic overbought
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 below 50
- Price is above the daily pivot point USD 127.95
- We remained bullish yesterday with intraday Elliott wave analysis suggesting we had the potential to trade as high as USD 130.48 within this phase of the cycle. However, the RSI pullback previously meant that a move above USD 128.80 would create a negative 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, implying caution on upside breakouts. Key support remained unchanged; a move below USD 123.85 would mean that the probability of the futures trading to a new high would start to decrease. The futures moved higher on the back of another round of stimulus from the Chinese Government, resulting in the divergence failing, our upside target at USD 130.48 target has now been achieved. Price is above all key moving averages supported by the RSI above 50; however, due to a small pullback, price and momentum continue to conflict.
- A close on the 4-hour candle below USD 127.95 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 67 will mean it is aligned to the buy side. Downside moves that hold at or above 124.75 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish having achieved our upside target, we now have further resistance at USD 132.97 and USD 136.15. The MA on the RSI is flat with price and momentum conflicting, warning we are seeing signs of a momentum slowdown. A close on the 4-hour candle below USD 128.45 will be below the low of the last dominant bull candle, warning support levels will start to look vulnerable. A move below USD 124.75 will mean that the pullback will be considered as deep into the last bull wave, indicating that the probability of the futures trading to a new high will start to decrease.

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