



Iron Ore Offshore Intraday Morning Technical

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

Iron Ore Offshore Dec 23 Mornina Technical Comment – 240 Min Chart



	Support	Resistance	Current Price	Bull	Bear	
S1	132.82	R1	134.50	RSI above 50	Stochastic overbought	
S2	129.67	R2				140.16
S3	128.08	R3				143.57

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (68)
- Stochastic overbought
- Price is above the daily pivot point USD 132.82
- The futures had traded to a new high on the stimulus anticipation yesterday. We had noted two weeks previously that there was the possibility that the Elliott wave cycle could extend, if price levels stayed elevated for long enough, this is now the case. In the near-term, the futures remained in divergence, with the MA on the RSI now suggesting momentum is supported, causing a conflict, but warning we could see a momentum slowdown. However, downside moves would be considered as countertrend, as the psychological footprint of the market (Elliott wave), now suggested there was a larger bull cycle in play. This also meant that the longer-term Elliott cycle remained bullish above USD 118.66. Obviously, if we saw intervention regarding the high pricing of iron ore from the Chinese authorities, the psychological footprint could change, meaning the cycle could fail. But at that point, we remained bullish. The futures remain supported with price producing a small move higher. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 132.82 with the RSI at or below 64.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 125.91 will support a bull argument, below this level the futures will have a neutral bias. However, the longer-term Elliott wave cycle remains bullish above USD 118.91.
- Technically bullish with downside moves considered as countertrend based on our Elliott wave analysis. The MA on the RSI continues to suggest that momentum is supported; however, the RSI is now approaching upside resistance whilst in divergence. This is not a sell signal, but it does continue to warn that we could see a momentum slowdown and will need to be monitored. If price and momentum become aligned to the sell side, we could see the EMA support band, and potentially the Fibonacci support zone come under pressure.

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