



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	128.18	R1	134.50	RSI below 50
S2	125.98	R2	135.05	
S3	124.24	R3	136.15	

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point USD 129.70
- Bullish but in a corrective phase yesterday with price below the EMA support band. In theory, the current move lower should be considered as countertrend based on our Elliott wave cycle, meaning key near-term support is at USD 125.98 with longer-term wave support at USD 118.98. The wave cycle is based on the psychological footprint of the market, meaning if we continued to see the NDRC put pressure on the market, there was a chance it could fail. The MA on the RSI did suggest that momentum is weak at this point, meaning support levels remained vulnerable. The futures traded to a low of USD 127.30 before finding buy-side support, we remain below the EMA support band (note, the averages are at identical values so could cross to the downside) with the RSI below 50, intraday price and momentum is now aligned to the buy-side due to the bid support.
- A close on the 4-hour candle below USD 129.70 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 125.98 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 118.98.
- We remain bullish but in a corrective phase, price and momentum are aligned to the buy-side, meaning that the RSI is now above its MA; however, the MA is still pointing in a downward trajectory, implying momentum remains weak at this point. With the RSI making new lows, the technical would suggest that upside moves have the potential to be countertrend, warning there could be further downside within this corrective phase.

Chart source Bloomberg

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