



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	127.78	R1	130.52		
S2	125.98	R2	131.97		RSI below 50
S3	124.24	R3	133.31		

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (48)
- Stochastic is overbought
- Price is above the daily pivot point USD 127.78
- We remain bullish but in a corrective phase yesterday, price and momentum were aligned to the buyside, meaning that the RSI is now above its MA; however, the MA was still pointing in a downward trajectory, implying momentum remained weak. With the RSI making new lows, the technical suggested that upside moves had the potential to be countertrend, warning there could be further downside within this corrective phase. The futures had one more test to the downside but held above the USD 125.98 support, resulting in a move higher this morning. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 127.78 with the RSI at or below 38 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. Likewise, upside moves that fail at or below USD 131.97 will leave the futures vulnerable to further tests to the downside, above this level the probability of the futures trading to a new low will start to decrease, meaning the USD 135.05 fractal high could come under pressure.
- Technically bullish with downside moves considered as countertrend, the MA on the RSI is starting to turn higher, implying momentum is now showing signs of support. We have held key support and moved higher, but the RSI has recently made a new low, warning the move up could be countertrend. If we reject the USD 131.97 resistance it will warn that the corrective phase could be more complex. We maintain our views based on the Elliott wave cycle that downside moves should be considered as countertrend at this point.

Chart source Bloomberg

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