



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore Jan 24 Morning Technical Comment – 240 Min Chart



Support	Resistance	Current Price	Bull	Bear		
S1	125.98	R1	129.66	128.90	Stochastic oversold	RSI below 50
S2	124.24	R2	131.97			
S3	121.30	R3	133.11			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 129.66
- The upside moves yesterday morning failed to hold, the downside move that followed resulted in the futures trading below the USD 128.16 level, meaning the futures were potentially in a complex corrective phase, despite the resistance breach on the open. This also meant that the USD 131.97 remains a key resistance remained in place. The MA on the RSI was flat, indicating momentum was neutral; however, the depth of the corrective move suggested that the USD 126.00 support was still vulnerable. The longer-term Elliott wave cycle continued to suggest that downside moves looked like they could be countertrend. The futures have found light bid support, but we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 129.66 with the RSI at or below 45 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 131.97 will leave the futures vulnerable to further tests to the downside, above this level we could see the USD 135.05 resistance come under pressure.
- Technically we remain in a corrective phase that has the potential to become a complex one. However, intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend at this point. The MA on the RSI does now warn of momentum weakness, despite the RSI moving above its average. The USD 126.00 support remains vulnerable; however, if we start to trade above yesterday's high of USD 132.35, then it will indicate that buyside pressure is increasing, leaving resistance levels vulnerable.

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