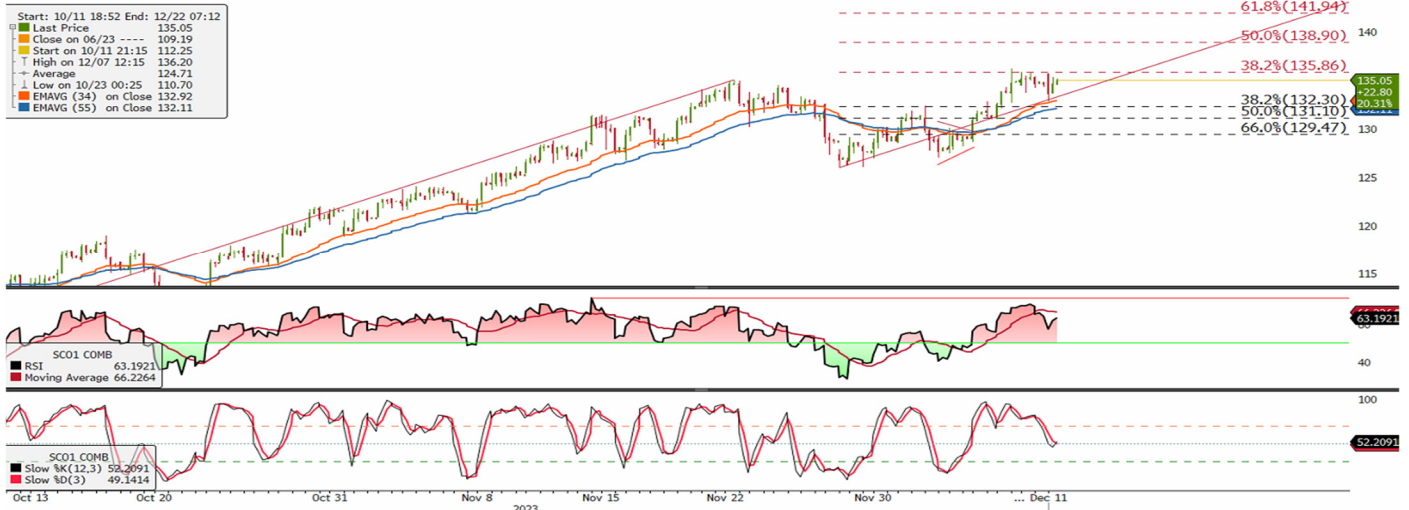




Iron Ore Offshore Intraday Morning Technical

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

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



	Support	Resistance	Current Price	Bull	Bear
S1	134.81	R1	135.86	RSI above 50	
S2	132.30	R2	138.90		
S3	131.10	R3	141.94		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 134.81
- Technically bullish on Friday, the new high indicated that we were on a bullish impulse Elliott wave 5, with a potential upside target at USD 141.95. However, the new high had created 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. There was a caveat, if we moved much higher and the divergence failed, then our lower timeframe Elliott wave cycle implied that we could be looking at a wave extension. We noted that high ticks would not change the technical, as it was already bullish, it was more related to time and price spent at higher levels. We were a cautious bull, but open to a wave extension. The futures had a small move lower in the Asian day session, but price is back trading at Friday's levels. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4hour candle above USD 134.81 with the RSI at or above 68.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 129.47 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical, we remain on what looks to be a bullish impulse wave 5 with price moving lower in the Asian day session, on the back of the negative divergence, meaning we continue to be a cautious bull at this point. However, as previously noted, if we move higher and our divergence fails, then it will suggest that we are looking at Elliott wave extension to the upside. Key support is at USD 129.47, a move below this level will mean that the probability of the futures trading to a new high has started to decrease.

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