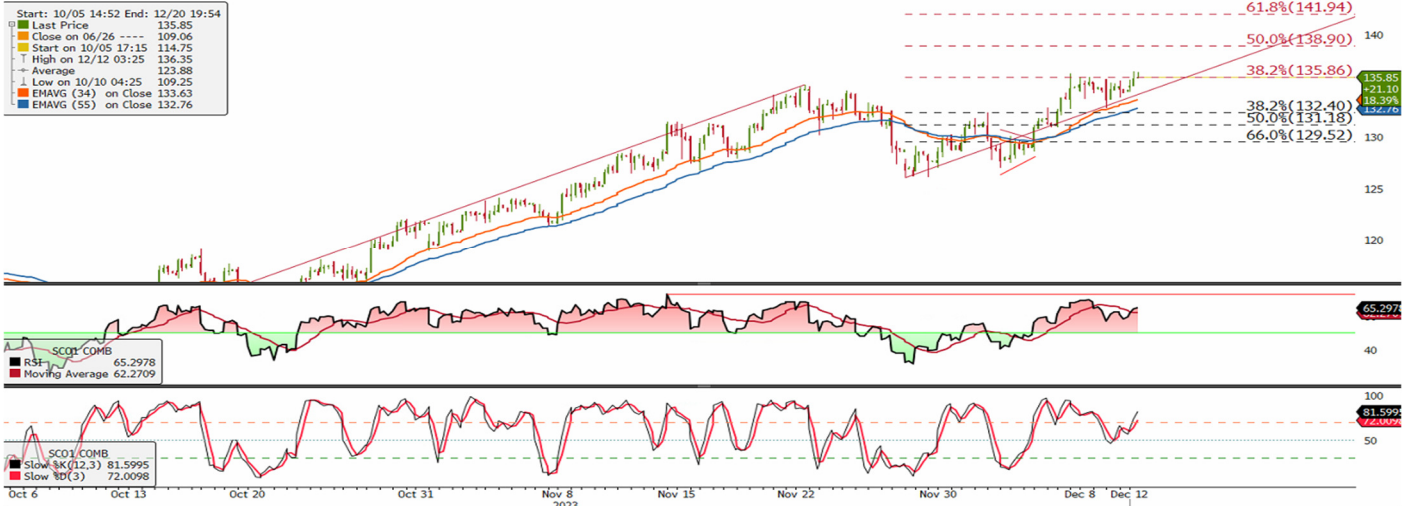




Iron Ore Offshore Intraday Morning Technical

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



Support	Resistance	Current Price	Bull	Bear
S1	R1	135.85	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 135.06
- Unchanged on the technical yesterday, we remained 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 continued to be a cautious bull. However, as previously noted, if we moved higher and our divergence failed, then it would suggest that we could be looking at an Elliott wave extension to the upside. Key support was at USD 129.47, a move below this level would mean that the probability of the futures trading to a new high has started to decrease. The futures have made a small move higher, meaning we now have two divergences in play. Price is above all key moving averages, supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 135.86 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 129.52 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we now have two divergences in play, warning that we have the potential to see a momentum slowdown. For this reason, we remain cautious on upside moves at this point, as the technical is warning we have the potential to enter a corrective phase. However, as previously noted, if we do see a strong impulse move higher and the divergence fails, then we could be looking at an Elliott wave extension to the upside, meaning downside moves will be considered as countertrend once again.

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