



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	135.52	R1	140.28	138.70	RSI above 50
S2	133.70	R2	141.94		
S3	131.24	R3	146.28		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 140.28
- We remained in a bullish trending environment yesterday; however, the futures were still in divergence with the RSI, not a sell signal, it warned that we had the potential to see a momentum slowdown. For this reason, we continued to remain cautious on upside moves. However, if the divergence failed, then it would warn that we could be looking at an Elliott wave extension to the upside. Key support was at USD 131.13, a move below this level would mean that the probability of the futures trading to a new high would start to decrease. The futures have moved lower on the negative divergence with the RSI, we remain above the EMA support band with the RSI above 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 140.28 with the RSI at or above 63.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 131.34 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish we are now in a corrective phase but holding above key support levels. The MA on the RSI is warning that momentum is weak; however, it does remain above 50 at this point. Support levels are vulnerable in the near-term due to the divergence, but we can see that the RSI high on the 22/12 was above the high on the 08/12. This is warning that although we are correcting on the back of the divergence, there is still the potential for one more test to the upside. The caveat is that a new high will probably create another negative divergence, meaning we need to remain cautious on upside moves.

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