



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	141.20	R1	143.43	RSI above 50	Stochastic overbought
S2	140.50	R2	145.25		
S3	139.56	R3	147.07		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 139.70
- Technically bullish last week with price in a corrective phase but holding above key support levels. The MA on the RSI warned that momentum was weak; however, it did remain above 50. Support levels were vulnerable in the near-term due to the divergence; we noted that that the RSI high on the 22/12 was above the high on the 08/12. This warned that although we are correcting on the back of the divergence, there was still the potential for one more test to the upside. The caveat was that a new high would probably create another negative divergence, meaning we needed to remain cautious on upside moves. We have seen a strong upside move on the Asian open, resulting in the futures trading to new highs; however, as noted on Thursday, the new high means the RSI is back in divergence with price. We are 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 139.70 with the RSI at or below 63.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 139.56 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means that the RSI is in divergence and approaching a resistance zone. For this reason, we continue to maintain a cautious view on upside moves. A move below USD 139.56 will warn that the probability of the futures trading to a new high will have started to decrease.

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