



Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear	
S1	106.27	R1	107.10	Stochastic oversold	RSI below 50	
S2	103.53	R2				111.04
S3	99.63	R3				112.35

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 115.22
- Unchanged on the technical on Friday. Intraday Elliott wave analysis continued to suggest that upside moves look to be countertrend. If we did trade below the USD 111.95 level, then we had a potential downside target at USD 107.333. As previously noted, a new low would create a positive divergence with the RSI, not a buy signal it will need to be monitored in case we saw a momentum slowdown. We were currently below the weekly pivot level on the intraday; however, we noted that this would change on the SGX close, so we needed to wait for the afternoon report to evaluate where we stood against this. The futures opened the Asian evening session below the weekly pivot level (USD 117.87), resulting in price moving lower. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 115.22 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 114.13 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures have traded below our initial downside target of USD 107.33; however, we have adjusted the Fibonacci levels having produced a higher timeframe (daily technical) on Friday, meaning we have a potential target at USD 103.53, but there is now a strong possibility that we could be looking at further wave extension within the existing cycle. We noted in this report that there could be a larger bear cycle in play, the alternative cycle was highlighted on the chart. We have seen strong breakdown in the futures in the Asian day session with the RSI still showing a divergence with the RSI (this is now a minor divergence) which still needs to be monitored; however, as noted previously we maintain our view that upside moves should be considered as countertrend. If we do trade above the USD 114.13 resistance, then the probability of the futures trading to a new low will start to decrease.

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