



Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	113.62	R1	115.47	114.00	Stochastic oversold RSI below 50
S2	112.53	R2	116.68		
S3	1010.70	R3	120.15		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 115.47
- We noted yesterday that we had seen a bit of random price movement over the previous two sessions, but this is had not changed our technical view. With the futures initially selling lower on the back of a negative divergence with the RSI, the Elliott wave cycle suggested we had the potential to trade as high as USD 125.96 within this phase of the cycle. However, due to the multiple divergences in play, we maintained a cautious view on upside moves at this point, as the technical suggested that support levels were vulnerable. Below USD 112.53 the probability of the futures trading to a new high will start to decrease.
- The futures have traded to a low of USD 113.15 before finding light bid support. We are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 115.47 with the RSI at or above 50 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 112.53 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the futures have moved lower on a negative divergence, having rejected the daily 200-period EMA. The MA on the RSI is turning lower, implying we have light momentum weakness whilst price is below the weekly pivot level (USD 116.68). However, we are finding support on the intraday 200-period MA (USD 113.62) whilst holding above the USD 112.53 Fibonacci support. Intraday Elliott wave analysis continues to suggest that we have the potential to trade as high as USD 125.96; If we do trade below the USD 112.53 level, it will warn that the probability of the futures trading to a new high will start to decrease. The futures need to close below and hold below the 200-period MA for sell side confirmation. Failure to do so will warn that there is underlying support in the market. We are now at an inflection point on the technical, and need to gauge how we react to the long-term average for directional bias. We continue to maintain a cautious view on upside moves, but at this level, the technical is in balance.

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