



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	114.05	R1	116.68	RSI above 50	
S2	112.53	R2	120.15		
S3	1010.70	R3	127.15		

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 114.05
- Technically bullish but in a corrective phase yesterday, the futures had moved lower on a negative divergence, having rejected the daily 200-period EMA. The MA on the RSI was turning lower, implying we had light momentum weakness, whilst price was below the weekly pivot level (USD 116.68). However, we were finding support on the intraday 200-period MA (USD 113.62) whilst holding above the USD 112.53 Fibonacci support. Intraday Elliott wave analysis continued to suggest that we had the potential to trade as high as USD 125.96; if we did trade below the USD 112.53 level, it would warn that the probability of the futures trading to a new high would start to decrease. The futures needed to close below and hold below the 200-period MA for sell side confirmation. Failure to do so would warn that there was underlying support in the market. We were at an inflection point on the technical and needed to gauge how we reacted to the long-term average for directional bias. We continued to maintain a cautious view on upside moves, but at that level, the technical was in balance.
- The futures held the 200-period MA resulting in price trading above the 34-55 period EMA's, the RSI is above 50 with intraday price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 114.05 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell 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, the futures are moving higher off the 200-period MA support. The MA on the RSI is flat, implying momentum remains neutral; however, price is now testing the weekly pivot level at USD 116.68. A close on the daily candle above this level will indicate that buy side pressure is increase, warning we could test the USD 120.15 fractal high. Above this level the futures will be in divergence with the RSI, not a sell signal it is a warning that we have the potential to see a momentum slowdown, implying caution on upside breakouts. We have held a benchmark average, warning there is underlying support in the market, meaning resistance is starting to look vulnerable in the near-term, making the USD 116.68 the key level to follow. Failure to close above this level will warn the upside move could stall.

Chart source Bloomberg

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