



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	118.17	R1	122.60	RSI above 50	Stochastic overbought
S2	116.53	R2	127.15		
S3	115.77	R3	133.21		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 118.17
- Technically bullish yesterday, the MA on the RSI implied that momentum remained supported, warning that the USD 120.15 resistance remained vulnerable in the near-term. Our intraday Elliott wave cycle continued to suggest we could trade as high as USD 125.96 within this phase of the cycle. However, as previously noted, above USD 120.15 the futures would be in divergence with the RSI, implying caution on upside breakouts. A close on the daily chart below the weekly pivot level (USD 116.33) would warn that sell side pressure was increasing, meaning the USD 112,53 support would start to look vulnerable. Below this level, the probability of the futures trading to a new high would start to decrease.
- The futures have traded above the USD 120.15 level on the back of the momentum support highlighted yesterday. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 118.17 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 115.77 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we have some mixed signals this morning. The MA on the RSI is implying momentum is supported, whilst the upside move in the Asian day session means the RSI has broken resistance (orange line on RSI); this would suggest that downside support levels could in theory hold if tested in the near-term. If we do trade below USD 115.77, then the probability of the futures trading to a new high will start to decrease. Countering this, the upside move above the USD 120.15 fractal high means we have two negative divergences in play (longer-term, black lines), this is warning we could see a momentum slowdown, implying caution on upside moves. the Elliott wave cycle is now unclear on whether this is a wave extension, but the oscillators are in divergence. Based on the technical, downside support could hold, but we remain cautious on upside moves to new highs beyond this due to the divergences in play.

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