



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	R1	122.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 120.02
- Technically bullish yesterday, we had some mixed signals, as the MA on the RSI implied that momentum was supported, whilst the upside move in the Asian day session meant that the RSI had broken resistance (orange line on RSI); this suggested that downside support levels could in theory hold if tested in the near-term. If we did trade below USD 115.77, then the probability of the futures trading to a new high would start to decrease. Countering this, the upside move above the USD 120.15 fractal high meant that we had two negative divergences in play (longer-term, black lines), this warned we could see a momentum slowdown, implying caution on upside moves. the Elliott wave cycle was unclear on whether this is a wave extension, but the oscillators were in divergence. Based on the technical, downside support could hold, but we remained cautious on upside moves to new highs beyond this due to the divergences in play.
- The futures have continued to move higher, meaning the first of the two divergences have failed. Price is 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 120.02 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 116.47 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI continues to suggest that momentum is support. We are yet to see an intraday pullback, meaning we maintain our view that downside moves look like they will be countertrend at this point. The upside moves is looking like we are seeing an Elliott wave 5 extension, meaning we are revising our potential upside target to USD 128.45, from USD 125.96. Downside moves below USD 116.47 will warn that the probability of the futures trading to a new high has start to decrease.

Chart source Bloomberg

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