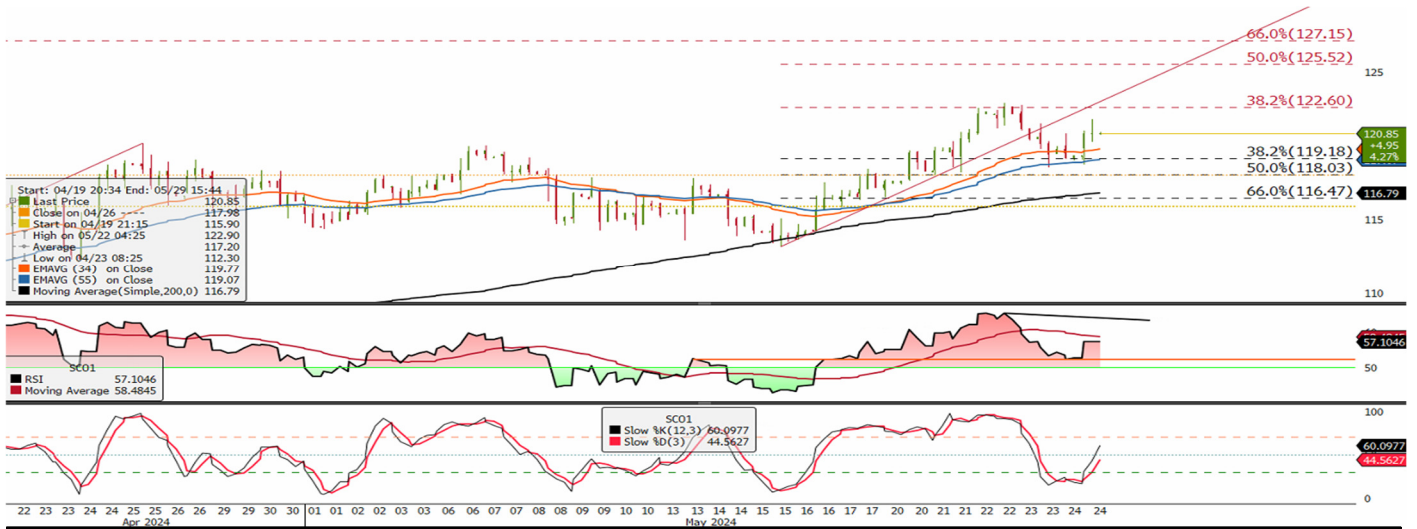




Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	120.28	R1	122.60	RSI above 50	
S2	119.18	R2	125.52		
S3	118.03	R3	127.15		

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (57)
- Stochastic is below 50
- Price is above the daily pivot point USD 120.28
- Technically bullish yesterday, the MA on the RSI implied that momentum had started to weaken. However, this was in conflict, as the RSI was above 50 whilst the stochastic is oversold, suggesting we could move higher. The longer-term divergence remained in place, implying caution on upside moves above USD 122.90. As noted previously, the RSI had broken near-term resistance, indicating we could see one more test to the upside within this phase of the cycle. If we did trade below USD 116.47, then the probability of the futures trading to a new high will start to decrease.
- The RSI held support resulting in the futures moving higher, we are above all key moving averages, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 120.28 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is 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 is warning that momentum remains weak. In theory, the near-term RSI break is warning that the USD 122.90 resistance is vulnerable; however, above this level the futures will be divergent warning we could see a momentum slowdown, implying caution on upside breakouts. We could move to new highs from here, but as noted in the close report last night, we have a bearish engulfing candle closing back below the 200-period MA (USD 120.74) on the daily chart. For this reason, we are very cautious on upside moves at this point, and do not consider the futures a technical buy at these levels.

Chart source Bloomberg

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