



Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	104.75	R1	108.85	Stochastic oversold	RSI below 50
S2	101.29	R2	112.49		
S3	95.40	R3	114.48		

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 108.85
- Unchanged yesterday, we were bearish with the MA on the RSI continuing to warn of momentum weakness, whilst the RSI was making new lows, suggesting upside moves looked to be countertrend. Key support was at USD 104.75, if broken, then the USD 95.40 fractal low would start to look vulnerable.
- Having seen light bid support into the close yesterday, the futures have sold to new lows in the Asian day session. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 108.85 with the RSI at or above 34.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 104.75 will imply that there could be a higher timeframe bullish Elliott wave cycle in play. If broken, then the USD 95.40 fractal low will start to look vulnerable. Likewise, upside moves that fail at or below the USD 117.17 level will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the small upside move into the close yesterday was not deep enough to be the move that we were looking for. The MA on the RSI is indicating that momentum remains weak; however, the new low has created a minor divergence with the RSI. Not a buy signal, it is a warning that sell side momentum is slowing down, this will need to be monitored. We maintain our view based on lower timeframe Elliott wave analysis that upside moves should be considered as countertrend at this point.

Chart source Bloomberg