



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	109.15	R1	114.68	Stochastic oversold	RSI below 50
S2	104.75	R2	115.66		
S3	101.29	R3	116.25		

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 115.66
- Technically bullish on the last report (24/05), the MA on the RSI warned that momentum remained weak. We noted that in theory, the near-term RSI break warned that the USD 122.90 resistance was vulnerable; however, above this level the futures would be divergent, meaning we could see a momentum slowdown, implying caution on upside breakouts. We highlighted that we could move to new highs, but as noted in the close report previously, we had 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, and did not consider the futures a technical buy at those levels.
- The futures are now USD 10.00 lower with price 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 115.66 with the RSI at or above 43 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.
- Technically bearish, the MA on the RSI is warning of momentum weakness whilst the RSI is making new lows, suggesting upside moves now look to be countertrend. The Rejection of the USD 127.15 (and 200-period daily MA) is warning that there is potentially a larger bearish Elliott wave cycle in play, making USD 104.75 the key support to follow. If this level is broken, then the probability of the futures trading to a new high will start to decrease, increasing the probability of the larger bearish wave cycle.

Chart source Bloomberg

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