



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	103.64	R1	103.90	Stochastic oversold	RSI below 50
S2	101.29	R2			
S3	95.40	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 106.35
- Technically bearish yesterday, the move below USD 106.05 meant that we had a positive divergence in play, not a buy signal, it warned that we could see a momentum slowdown which needed to be monitored. However, if we continued to move lower and trade below the USD 104.75 support, it would imply that the probability of the futures trading to a new high would start to decrease. If the divergence also failed, then we would be looking at some form of a bearish wave extension. We highlighted this as we had a daily bearish rejection candle followed by downside continuation, implying higher timeframe price action looked weak. Here and now, we had a note of caution due to the intraday divergence in play, making USD 111.11 the key resistance to follow.
- The futures continued to sell lower on the higher timeframe weakness (daily), resulting in price trading below the USD 104.75 support, meaning that the probability of the futures trading to a new high has now started to decrease. We remain 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 106.35 with the RSI at or above 43 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 110.46 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures have broken key support, but remain in divergence with the RSI, not a buy signal, it is a warning we could see a momentum slowdown. key near-term resistance is at USD 110.46, but we now have a longer-term resistance at USD 116.39 (due to the futures trading below the USD 104.75 level). Upside moves that fail at or below this level will warn that there is a larger, bearish Elliott wave cycle in play. We highlight this, as the probability of the futures trading to a new high has started to decrease. We remain cautious on downside moves in the near-term due to the divergence in play.

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