



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	105.80	R1	107.53	Stochastic oversold	RSI below 50
S2	103.64	R2	108.78		
S3	101.29	R3	110.46		

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 107.57
- Technically bearish on Friday, the upside move to USD 109.00 failed to hold, resulting in an intraday rejection candle, warning we had sell side pressure in the Fibonacci resistance zone. Momentum was conflicting, as the MA on the RSI indicated that it was supported; however, the RSI was below 50 with the stochastic in overbought territory, implying we were vulnerable to a move lower, providing the RSI held below 50. A close on the 4-hour candle below USD 106.85 (the low of the rejection candle) would warn that support levels could come under pressure. Likewise, a close above the high of the rejection candle (USD 109.00) would indicate that buy-side pressure was increasing, warning the USD 110.46 resistance could be tested and broken.
- We noted in the daily technical on Friday afternoon that we had a rejection candle whilst the RSI was testing its MA resistance, warning we could be about to see a move lower. The futures have sold lower with price below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 107.57 with the RSI at or above 47 will mean price and momentum are aligned to the buy-side. 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. Key longer-term resistance remains unchanged at USD 116.25; upside moves that reject this level will warn that there is potentially a larger, bearish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI is starting to flatten, implying momentum is starting to turn neutral. Downside moves below USD 103.35 will create a positive divergence with the RSI, not a buy signal it warns that we could see a momentum slowdown. The lower timeframe Elliott wave cycle is a little unclear on whether a move to a new low will be within the existing cycle, or the start of a new phase of a higher timeframe bearish cycle. Caution on downside breakouts below USD 103.35 due to price becoming divergent.

Chart source Bloomberg

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