



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	106.20		RSI below 50	
S2	101.29	R2				108.78
S3	95.40	R3				110.46

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 106.02
- Technically bearish yesterday, the MA on the RSI was starting to flatten, implying momentum was turning neutral. Downside moves below USD 103.35 would create a positive divergence with the RSI, not a buy signal it warned that we could see a momentum slowdown. The lower timeframe Elliott wave cycle was 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. We were cautious on downside breakouts below USD 103.35 due to price becoming divergent.
- The futures found buyside support in the Asian day session to trade to a high of USD 109.10; however, the move has failed to hold, resulting in the futures selling back below the EMA resistance band. The RSI is below 50 with price and momentum now conflicting.
- A close on the 4-hour candle above USD 106.02 with the RSI at or above 48 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 43.5 will mean it is aligned to the sell 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 implying that we have light momentum support. The technical is uncertain today with price seeing a USD 4.50 move lower, before trading back to the intraday fractal high. From a technical perspective, we maintain a cautious view on downside breakouts below USD 103.35, as the futures will be divergence. However, we are not yet seeing enough upside in price or momentum to warn that resistance levels are vulnerable. Bearish, but price action looks neutral.

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