



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	103.30	R1	103.70		RSI below 50	
S2	101.29	R2				105.52
S3	100.81	R3				106.22

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (42)
- Stochastic is below 50
- Price is above the daily pivot point USD 103.30
- Unchanged on the technical last week (Thursday), we remained bearish with the futures in consolidation, meaning near-term price action was neutral. We maintained a cautious view on downside moves, as the futures would be in divergence with the RSI below USD 103.35.
- We broke the triangle pattern to the downside resulting in the futures trading to a low of USD 101.95; however, the futures have found light bid support on the back of the divergence but remain below the EMA resistance band. The RSI is below 50 with intraday price and momentum conflicting.
- A close on the 4-hour candle above USD 103.30 with the RSI at or above 45.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 106.67 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that momentum remains weak; however, the new low has created a positive divergence with the RSI. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored. Lower timeframe Elliott wave analysis remains unclear on whether this is an extension within the existing cycle, or the start of a new cycle within a larger bear cycle. For this reason, we are a cautious bear on the basis that price is divergent with the RSI.

Chart source Bloomberg

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