



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	106.22	R1	106.70	RSI above 50	Stochastic overbought
S2	105.29	R2			
S3	103.79	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 103.15
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak; however, the new low had created a positive divergence with the RSI. Not a buy signal, it warned that we had the potential to see a momentum slowdown, which needed to be monitored. Lower timeframe Elliott wave analysis remained unclear on whether this was an extension within the existing cycle, or the start of a new cycle within a larger bear cycle. For this reason, we were a cautious bear on the basis that price is divergent with the RSI.
- The futures have seen a strong move higher in the Asian day session on the back of the positive divergence with price breaking key resistance. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 103.15 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 103.79 will support a near-term bull argument, below this level the futures will be back in bearish territory.
- Technically bearish, we now have a neutral bias due to the breach in the key resistance, meaning that the probability of the futures trading to a new low has started to decrease. The MA on the RSI is indicating that momentum is supported, the RSI has broken resistance, implying downside moves look like they will be countertrend in the near-term. If we close on the daily candle above the weekly pivot level (USD 106.22), it will indicate buy side pressure is increasing on the higher timeframe. Likewise, if we close on the daily candle above the high of the last dominant bear candle (USD 105.15), it will warn that resistance levels could be tested and broken. Based on the technical at these levels, resistance is now vulnerable with price not considered a technical sell.

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