



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore Aug 24 Morning Technical Comment – 240 Min Chart



Support	Resistance	Current Price	Bull	Bear
S1	R1	110.35	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34-55 period EMA's
- RSI is above 50 (53)
- Stochastic is oversold
- Price is below the daily pivot point USD 113.73
- Technically bullish yesterday, the MA on the RSI continued to suggest that momentum was supported. The consolidation warned that buyside momentum had slowed, meaning we had the potential to see an intraday technical pullback, the RSI remained below its resistance line, supporting this. However, intraday Elliott wave analysis did suggest that downside moves should be considered as countertrend, making USD 107.61 the key support to follow. If we did trade below this level, then the probability of the futures trading to a new high would start to decrease. We had a note of caution on upside moves in the very near-term, as there were warning signs that we could see an intraday pullback. This however did not change our bullish view on the technical.
- The futures have sold lower on the momentum slowdown, meaning price is trading in the Fibonacci support zone. We are between the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 113.72 with the RSI at or above 65 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 107.73 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are now in a corrective phase having seen the upside move enter a consolidation phase yesterday, signalling buyside momentum had slowed. In theory, the corrective move lower looks to be countertrend, making USD 107.73 the key support to follow. If we do trade below this level, then market buyers will need to be cautious, as the depth of the pullback would suggest that the probability of the futures trading to a new high had started to decrease. Momentum is now conflicting, as the MA on the RSI would suggest it is weakening; however, the RSI is above 50 whilst the stochastic is oversold. If the RSI holds above 50, then the futures will be vulnerable to a move higher, below 50 the stochastic is considered as less relevant.

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