



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	107.73	R1	113.32	Stochastic oversold	RSI below 50
S2	106.48	R2	111.97		
S3	104.35	R3	114.17		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 111.32
- Technically bullish on Friday, the futures were in a corrective phase having seen the upside move enter a consolidation phase previously, signalling buy-side momentum had slowed. In theory, the corrective move lower looked to be countertrend, making USD 107.73 the key support to follow. If we did trade below this level, then market buyers would 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 was conflicting, as the MA on the RSI suggested it was weakening; however, the RSI was above 50 whilst the stochastic was oversold. If the RSI held above 50, then the futures would be vulnerable to a move higher, below 50 the stochastic was considered as less relevant.
- The futures have sold lower with price trading below the USD 107.73 support. We are 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 111.32 with the RSI at or above 61.5 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 111.97 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish, we now have a neutral bias, meaning that the probability of the futures trading to a new high has started to decrease. The MA on the RSI is moving lower, implying momentum is weak, suggesting support levels remain vulnerable at this point. The futures have rejected the USD 115.78 resistance and traded below USD 107.73, warning that there is potentially a larger, bearish Elliott wave cycle in play, making USD 111.97 the key resistance to follow.

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