



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	98.28	R1	103.78	103.40	Stochastic oversold
S2	96.12	R2	104.02		
S3	95.02	R3	105.00		

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 104.02
- Technically bearish yesterday, A move below USD 102.75 would warn that the USD 101.95 fractal low from the 25/06 could be tested and broken. However, a new low below USD 102.75 would create another lower timeframe divergence with the RSI, whilst below USD 101.95 the futures would create a longer-term divergence on the 4-hour chart. For this reason, we remained cautious on downside breakouts, as the technical suggested that the futures were not considered a sell at these levels.
- The futures have sold to new lows resulting in the lower-term divergence failing. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 104.02 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 106.65 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the longer-term divergence remains in play and will need to be monitored. However, the failure of the lower timeframe divergence is warning that intraday upside moves should be considered as countertrend at this point, whilst the MA on the RSI is warning that momentum remains weak. The break to the downside followed by the divergence failure means that the longer-term fractal support at USD 95.40 is starting to look vulnerable.

Chart source Bloomberg