



Iron Ore Offshore Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



	Support	Resistance	Current Price	Bull	Bear	
S1	90.92	R1	92.00	Stochastic oversold	RSI below 50	
S2	89.70	R2				93.81
S3	88.48	R3				94.85

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 94.67
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum was weak. Countering this, the 1-hour RSI was in divergence with the RSI, not a buy signal, it warned that we had the potential to see a momentum slowdown. We maintained our view that upside moves look like they could be countertrend, based on RSI breaking support previously; however, we were cautious on downside moves at these levels, in the near-term, due to the divergence on the lower timeframe.
- The futures traded to a low of USD 92.70 yesterday, resulting in the 1-hour divergence failing. However, we found bid support on the open of the Asian day session with price trading to a high of USD 94.85 (the countertrend move) before selling back to new lows. 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 94.67 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 93.81 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the upside move on the open means we look to have been the upside countertrend move that we had been looking for, the subsequent low that followed has created another positive divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Lower timeframe Elliott wave analysis is suggesting that we have a potential downside target as low as USD 88.48. The caveat, if we achieve our downside target, the wave cycle will probably have seen an Elliott wave extension, meaning upside moves will once again be considered as countertrend.

Chart source Bloomberg