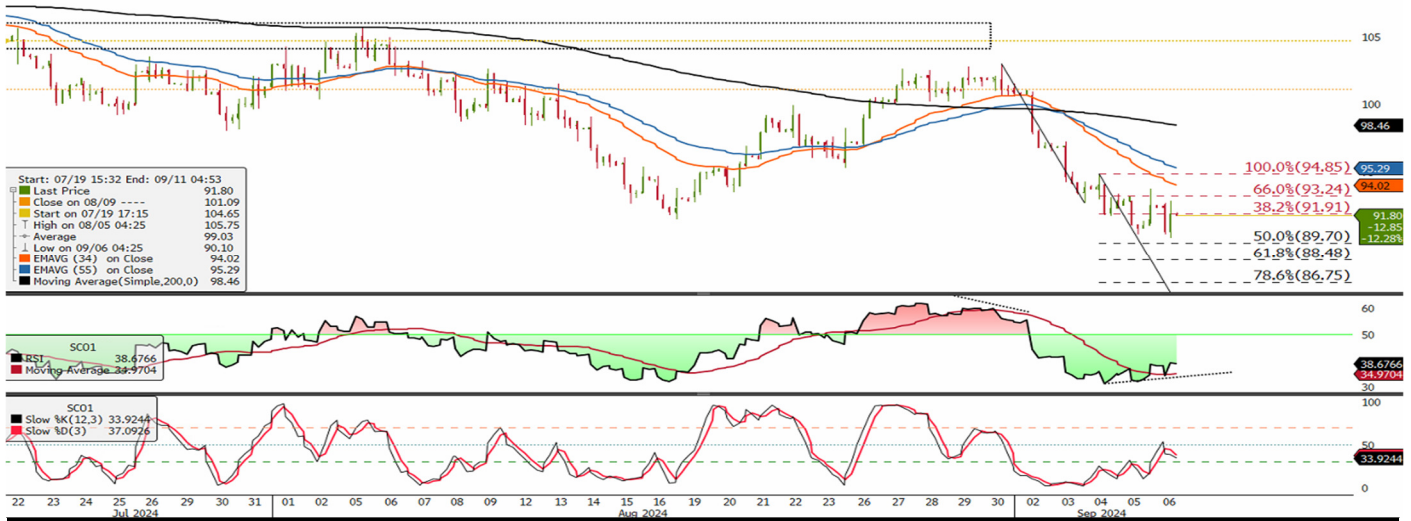




# Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear	
S1	91.73	R1	91.80		RSI below 50	
S2	89.70	R2				93.24
S3	88.48	R3				94.85

### Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (34)
- Stochastic is above 50
- Price is above the daily pivot point USD 91.73
- Technically bearish yesterday, the MA on the RSI was starting to flatten, implying sell side momentum was slowing. The small move lower in the Asian day session had created a positive divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. We were a cautious bear due to the divergence in play, as noted previously, we had a potential downside target at USD 88.48 for this phase of the cycle; however, if achieved, the cycle would need to be re-evaluated, as there was a chance that it may cause a wave extension.
- The futures traded to a high of USD 93.75 in the Asian evening session; however, the move failed to hold, resulting in price trading to a new low this morning. We are now finding bid support but remain below the EMA resistance band, the RSI is below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 91.73 with the RSI at or below 32.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 93.24 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are finding bid support on the back of a positive divergence with the RSI, implying caution on downside moves at these levels. Lower timeframe Elliott wave analysis is suggesting that we have a potential downside target as low as USD 88.48. However, as noted previously, if achieved the wave cycle would probably see an Elliott wave extension, meaning upside moves will once again be considered as countertrend.

Chart source Bloomberg

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