



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore Jan 25 Morning Technical Comment – 240 Min Chart



	Support	Resistance	Current Price	Bull	Bear
S1	98.35	R1	99.97	Stochastic oversold	RSI below 50
S2	97.46	R2	100.93		
S3	96.20	R3	101.08		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 101.08
- Unchanged on the technical on the 24/12, we noted that the downside move previously failed to trade below the USD 99.80 fractal support. Our Elliott wave analysis indicated that we should trade below this level, implying this phase of the corrective cycle was yet to complete; for this reason, we maintained a cautious view on upside moves, as they could struggle to hold.
- We have sold lower, resulting in the futures trading below the USD 99.80 fractal low. Price is 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 101.08 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 100.93 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the new low means that the futures are in divergence with the RSI, warning we could see a momentum slow-down; however, lower timeframe Elliott wave analysis is suggesting we could trade as low as USD 97.46 within this phase of the cycle. We now have a 5-wave pattern on the lower timeframe (wave cycle), whilst in divergence, suggesting caution on Downside moves. If we trade above the USD 102.10 fractal high, the intraday technical will be bullish; if, however, we fail to trade USD 104.44 it will warn that there is a larger bearish wave cycle in play. A downside move consisting of 5-waves, and not 3, is suggesting the recent correction could be bearish impulse, warning upside moves could struggle to hold.
- In Brief - We are cautious on moves lower at these levels in the near-term, due to the 5-wave pattern and divergence. The bearish impulse move lower does mean that there could be a larger bear cycle in play, making USD 104.44 the key resistance on this technical.

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