



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	99.58	R1	100.93		RSI below 50
S2	98.35	R2	102.10		
S3	97.46	R3	102.96		

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 99.58
- Technically bearish on Friday, the new low meant that the futures were in divergence with the RSI, warning we could see a momentum slowdown; however, lower timeframe Elliott wave analysis suggested we could trade as low as USD 97.46 within this phase of the cycle. We noted that we had a 5-wave pattern on the lower timeframe (wave cycle), whilst in divergence, suggesting caution on Downside moves. If we traded above the USD 102.10 fractal high, the intraday technical will be bullish; if, however, we failed to trade USD 104.44 it would warn that there was a larger bearish wave cycle in play. A downside move consisting of 5-waves, and not 3, suggested that the recent correction could be bearish impulse, warning upside moves could struggle to hold. In Brief - We are cautious on moves lower at those levels in the near-term, due to the 5-wave pattern and divergence. The bearish impulse move lower did mean that there could be a larger bear cycle in play, making USD 104.44 the key resistance on this technical.
- The futures have moved higher on the positive divergence, resulting in the USD 100.93 resistance being breached. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 99.58 with the RSI at or below 40.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 104.48 will warn that there could be a larger, bearish Elliott wave cycle in play.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low within this phase of the cycle has started to decrease, above USD 102.10, the intraday technical is bullish based on price. However, as noted last week, the initial move looks to be a 5-wave pattern lower, implying bearish impulse (Elliott wave A). This is warning that upside moves look like they could be countertrend (Elliott wave B), making USD 104.48 the key resistance to follow. If we trade above this level, then the bearish corrective cycle has a higher chance of failing. Based on our wave analysis, we remain cautious on moves higher, as they could struggle to hold.

Chart source Bloomberg

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