



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	101.08	R1	101.25		RSI below 50	
S2	100.99	R2				104.48
S3	100.04	R3				105.52

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 100.99
- Technically bearish with a neutral bias on the last report, the probability of the futures trading to a new low within this phase of the cycle had started to decrease, above USD 102.10, the intraday technical would be bullish based on price. However, as noted previously, the initial move looked to be a 5-wave pattern lower, implying bearish impulse (Elliott wave A). This warned that upside moves look like they could be countertrend (Elliott wave B), making USD 104.48 the key resistance to follow. If we traded above this level, then the bearish corrective cycle has a higher chance of failing. Based on our wave analysis, we remained cautious on moves higher, as they could struggle to hold.
- The futures have traded to a high of USD 102.75, meaning the intraday technical is bullish based on price. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 100.99 with the RSI at or below 45 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; likewise, downside moves that hold at or above 100.04 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the downside moves to a low of USD 99.95 has held above the weekly pivot level, we did breach key support (USD 100.04); however, the move above USD 101.80 means the intraday technical is back in bullish territory. The MA on the RSI is implying that momentum is supported, but as noted previously, the initial 5-wave pattern lower does suggest that the corrective move is bearish impulse, suggesting upside moves have the potential to 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.

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