



Iron Ore Offshore Intraday Technical

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Iron Ore Offshore July 25 Morning Technical Comment—240 Min Chart Technical



Support	Resistance	Current Price	Bull	Bear
S1	R1	92.80	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below daily pivot level USD 93.87
- Technically bearish yesterday, we continued to remain cautious on downside moves due the divergence in play. As noted previously, for upside continuation we would need to see a close that held above the 55-period EMA (USD 94.72). A close on the daily candle above the weekly pivot level (USD 94.47) would imply that buyside pressure is increasing.
- The futures continue to come under pressure having rejected the EMA resistance band. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 93.87 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 98.89 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we noted last week in the close report that there could be a head and shoulders continuation pattern in play (highlighted on the chart). Price is now below the neckline support having rejected the EMA resistance; the pattern suggests that we have a near term downside target of USD 91.40, with the potential to sell lower. However, despite the move lower, we still have two positive divergences in play, although they are not buy signals, they are a warning that sell side momentum could slow down. From a technical perspective, the pattern indicates we move lower, but the divergence means we remain cautious due to the divergences that are in play. A cautious bear.

Chart source Bloomberg