



Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



	Support	Resistance	Current Price	Bull	Bear
S1	92.60	R1	93.80		RSI below 50
S2	92.35	R2	96.38		
S3	91.40	R3	96.59		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (40)
- Stochastic is below 50
- Price is above daily pivot level USD 92.60
- Technically bearish on Tuesday, 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 was below the neckline support having rejected the EMA resistance; the pattern suggested 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 had two positive divergences in play, although they were not buy signals, they warned that sell side momentum could slow down. From a technical perspective, the pattern indicated we move lower, but the divergence meant that we remained cautious due to the divergences that were in play. A cautious bear.
- The futures traded to a low of USD 92.00 before finding light bid support. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 92.60 with the RSI at or below 36 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 98.89 will warn that there could be a larger, bearish Elliott wave cycle in play.
- We remain unchanged on the technical, the H&S pattern suggests we could trade as low as USD 91.40 (potentially lower); however, due to the divergences in play, we continue to be cautious on lower moves at these levels.

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