

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



Support		Resistance		Current Price	Bull	Bear
S1	100.73	R1	102.07	101.20		RSI below 50
S2	99.01	R2	104.98			
S3	97.48	R3	106.75			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Price is above daily pivot level USD 100.73
- We remain bullish but in a corrective phase yesterday, the MA on RSI continued to suggest that momentum was weak. As noted previously, due to the move below USD 101.15 fractal support, the corrective phase was looking more complex, suggesting the USD 99.25 fractal low could be tested and broken. Based on our Elliott wave analysis, we maintained our view that downside moves should be considered as countertrend.
- The futures found bid support in the Asian evening session resulting in price testing but rejecting the 200-period MA (USD 102.07), we are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 100.73 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 99.01 will support a bull argument, below this level the technical will have a neutral bias.
- The longer term technical remains bullish but in a corrective phase. Price is in the process of rejecting the 200-period MA, if it does, then it will warn that the USD 99.25 fractal low could be tested and broken. Conversely, market sellers will need to be cautious on a close that holds above the average. Key support on the technical is at USD 99.01, if this level is breached, then the probability of the futures trading to a new high will start to decrease.