

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



Support		Resistance		Current Price	Bull	Bear
S1	100.05	R1	102.45	102.25		Stochastic overbought
S2	99.01	R2	104.98			
S3	97.48	R3	106.75			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- Price is below daily pivot level USD 102.45
- The longer term technical remained bullish but in a corrective phase on Thursday. Price was in the process of rejecting the 200-period MA, if it did, then it would 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 held above the average. Key support on the technical was at USD 99.01, if this level was breached, then the probability of the futures trading to a new high would start to decrease.
- Having initially rejected the intraday 200-period MA, the futures found bid support, resulting in price trading back above the average. Downside price action today means we are trading between the 8-21 period EMA's with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 102.45 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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.
- Technically bullish but in a corrective phase, the MA on the RSI implies that momentum is supported. The futures are now at an inflection point, as we are trading on the intraday 200-period MA (USD 102.35). As noted previously, the move below USD 101.15 suggests there is still potential further downside in the near-term; however, a close that holds above the intraday 200-period MA will warn that there is an underlying support in the market. Longer-term Elliott wave analysis does suggest that downside moves should be considered as countertrend.