



Iron Ore Offshore Intraday Technical

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

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



Support		Resistance		Current Price	Bull	Bear
S1	104.74	R1	105.89	105.55	Stochastic oversold	RSI below 50
S2	103.85	R2	107.65			
S3	102.63	R3	108.52			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below daily pivot level USD 105.89
- Technically bullish on Monday, the MA on the RSI implied that momentum was weak. The futures were consolidating between the EMA support band, which had now started to flatten, implying we lacked directional bias. Upside moves above USD 106.45 would imply that buy-side pressure was increasing, warning the USD 107.65 fractal high could be tested and broken. Conversely, if we traded below USD 102.10 then the probability of the futures trading to a new high would start to decrease. Based on the momentum spike on the 28/08 we maintain our view that downside moves were considered as countertrend.
- The futures traded to a high of USD 107.45 before correcting back the EMA support band, a move lower in the Asian day session means we are now just below the band. The RSI is near neutral at 49 whilst price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 105.89 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 102.10 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today. We remain bullish with Elliott wave analysis suggesting the downside moves should in theory be countertrend; however, if we trade below the USD 102.10 support, then the probability of the futures trading to a new high will start to decrease. Upside moves above USD 107.65 will be in divergence with the RSI, meaning we are cautious on upside breakouts above this level. Technically we have a neutral bias, wave analysis suggests that we should trade to a new high, but price will be divergent, suggesting the futures are not a technical buy at these levels.

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