



Iron Ore Offshore Intraday Technical

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



Support		Resistance		Current Price	Bull	Bear
S1	104.74	R1	106.70	105.75	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 106.70
- Unchanged on the technical last week. We remained bullish with Elliott wave analysis suggesting the downside moves should in theory be countertrend; however, we noted that if we traded below the USD 102.10 support, then the probability of the futures trading to a new high would start to decrease. Upside moves above USD 107.65 would be in divergence with the RSI, meaning we are cautious on upside breakouts above this level. Technically we had a neutral bias, wave analysis suggested that we should trade to a new high, but price would be divergent, meaning the futures were not a technical buy at these levels.
- The futures traded to a high of USD 107.45 before selling back below the EMA support 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 106.70 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 102.63 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical again today, the futures rejected the upper Bollinger band resulting in price moving below the EMA support band. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 102.63 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease. As noted previously, we have a note of caution on upside breakouts above USD 107.65, as the futures will be in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown.

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