

## Iron Ore Offshore Nov 25 Morning Technical Comment—240 Min Chart Technical



Support	Resistance	Current Price	Bull	Bear
S1	106.04	R1	108.52	Stochastic overbought
S2	105.81	R2	111.04	
S3	105.17	R3	114.25	
		107.75	RSI above 50	

## Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is below 50 (68)
- Stochastic is overbought
- Price is above daily pivot level USD 106.04
- We remain bearish with a neutral bias on Friday, the downside rejection on a high volume candle had resulted in price trading above the intraday 200-period MA (USD 104.83). A close that held above the average would warn that the USD 105.78 resistance could be tested and broken; if it was, then the futures would be back in bullish territory. Conversely, failure to close above the average, or a rejection of the USD 105.78 level would leave support levels vulnerable. We noted on Friday's weekly report that the USD 105.78 level had been breached, suggesting the USD 107.65 resistance could be tested and broken.
- The new high means that the futures are in divergence with the RSI. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 106.04 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. downside moves that hold at or above USD 104.30 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are in divergence with the RSI, implying buyside momentum could slow. However, the MA on the RSI implies momentum is supported, whilst the RSI has broken near-term resistance, suggesting downside moves should be considered as countertrend in the near-term. This is supported by lower timeframe Elliott wave analysis, making USD 104.30 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Note: there is a chance that we could see a higher timeframe wave extension here, but until are oscillators confirm this, we will remained focused on the lower timeframe Elliott wave cycle.