



Iron Ore Offshore Intraday Technical

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



Support		Resistance		Current Price	Bull	Bear
S1	106.04	R1	105.54	105.25	RSI above 50	
S2	105.81	R2	106.02			
S3	105.17	R3	106.67			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is above 50 (51)
- Stochastic is oversold
- Price is below daily pivot level USD 107.08
- Technically bullish yesterday, the futures were in divergence with the RSI, implying buyside momentum could slow. However, the MA on the RSI implied that momentum was supported, whilst the RSI had broken near-term resistance, suggesting downside moves should be considered as countertrend in the near-term. This was 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 would start to decrease. We noted that there was a chance that we could see a higher timeframe wave extension here, but until are oscillators confirmed this, we remained focused on the lower timeframe Elliott wave cycle.
- The futures corrected after the Chinese government clarified that US owned ships built in China would not be facing extra port fees, taking pressure of near-term supply. This piece of news resulted in the futures trading below the USD 104.30 support. Having traded to a new low the futures have seen light bid support with price now between the 34—55 period EMA's. the RSI is near neutral at 51 whilst price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 107.08 with the RSI at or above 62 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 106.67 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of price trading to a new high has started to decrease. The MA on the RSI implies we have light momentum weakness; however, price is trading around the intraday 200-period MA (USD 105.20), meaning we are at an inflection point. A close that holds above the average will indicate there is an underlying support in the market; conversely, a close that holds below it will support a sellers argument. This technical is news driven. With price on the longer—term average, we have a neutral bias.

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