



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	104.84	R1	105.29	105.20		
S2	104.30	R2	105.82			
S3	103.61	R3	106.53			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is at 50 (50)
- Stochastic is at 50
- Price is above daily pivot level USD 104.84
- Bullish with a neutral bias yesterday, the futures have mean reverted back to the intraday 200-period MA (USD 105.23), meaning we remained at an inflection point. There were conflictions on this technical, the Elliott wave cycle looked to have completed, whilst the pullback was considered as deep, implying the probability of the futures trading to a new high had started to decrease. Countering this, open interest remained high, suggesting market longs were holding their positions, supporting this, we had a three wave corrective pattern lower with wave 1 completing at the 66% level and wave two at the 78.6%. This was not a perfect bullish Gartley pattern, but it warned that the USD 106.53 resistance could come under pressure. The high open interest was a concern considering the deep pullback, as it suggested that there was an expectation of price moving higher. Open interest suggests that the market looked like it is expecting a bullish Elliott wave extension.
- Sideways action yesterday has resulted in the test to the downside failing to hold, meaning we have a downside rejection candle on the daily timeframe. We are trading at yesterday morning's levels, meaning price is between the EMA support band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 104.84 with the RSI at or above 54 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 106.53 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- We remain bullish with a neutral bias, aggregate open interest has dropped. But still suggests that those that entered the market on the 10-11th of October are still holding. As noted yesterday, the 3-wave corrective pattern and the convoluted Gartley pattern continue to warn that the USD 106.53 resistance remains vulnerable in the near-term. If broken, then the futures will be back in bullish territory. Conversely, if rejected, it will leave price vulnerable to a move lower. We continue to trade on the intraday 200-period MA (USD 105.23), meaning we remain at an inflection point, signaling indecision.

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