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## **Iron Ore Offshore Intraday Technical**

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



## Synopsis - Intraday

- Price is below the 34 55 period EMA's
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below daily pivot level USD 104.29
- We remained bullish with a neutral bias on Friday, aggregate open interest had dropped, but still suggested that those that entered the market on the 10-11th of October were still holding. As noted previously, the 3-wave corrective pattern and the convoluted Gartley pattern continued to warn that the USD 106.53 resistance remained vulnerable in the near-term. If broken, then the futures would be back in bullish territory. Conversely, if rejected, it would leave price vulnerbale to a move lower. We continued to trade on the intraday 200-period MA (USD 105.23), meaning we remain at an inflection point, signaling indecision.

Chart source Bloomberg

- The futures have failed to hold above the intraday 200-period MA (USD 105.10) resulting in price selling lower. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 104.29 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 106.41 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 the futures trading to a new high has started to decrease. The MA on the RSI implies that momentum is weak, whilst aggregate open interest has dropped, indicating longs are exiting the market. However, outside of the offshore product, we should highlight that the daily onshore futures (active contract, DCE Jan 26) has a 3-wave daily pattern lower with a 100% Fibonacci projection at RMB 766. The DCE futures traded to a low of USD 762.5 and closed at USD 768.5. Three-waves and a 100% projection warn that we could see bid support in the near-term, which has the potential to filter through to the offshore product.

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