



Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



Support		Resistance		Current Price	Bull	Bear
S1	103.29	R1	103.84	103.75		RSI below 50
S2	102.45	R2	104.83			
S3	102.24	R3	105.45			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (46)
- Stochastic is above 50
- Price is below daily pivot level USD 103.84
- Technically bullish with a neutral bias yesterday, the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied that momentum is weak, whilst aggregate open interest had dropped, indicating longs are exiting the market. However, outside of the offshore product, we highlighted that the daily onshore futures (active contract, DCE Jan 26) had a 3-wave daily pattern lower with a 100% Fibonacci projection at RMB 766. The DCE futures had traded to a low of USD 762.5 and closed at USD 768.5. Three-waves and a 100% projection warned that we could see bid support in the near-term, which has the potential to filter through to the offshore product.
- The futures traded to a high of USD 104.75 before giving back early gains. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 103.84 with the RSI at or below 44 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 106.28 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Bullish with a neutral bias, we are unchanged on the technical this morning. The probability of the futures trading to a new high has started to decrease; however, we still have the 3-wave pattern and 100% Fibonacci projection on the daily chart warning that price is vulnerable to a move higher. for this reason, we remain cautious on downside moves at this point.

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