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## **Iron Ore Offshore Intraday Technical**

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



## Synopsis - Intraday

Price is below the 34 - 55 period EMA's

Chart source Bloomberg

- RSI is above 50 (40)
- Stochastic is above 50
- Price is below daily pivot level USD 101.77
- Technically bearish yesterday, the lower timeframe wave cycle had produced a 5 wave pattern lower on the move down to USD 100.85 today, making USD 102.96 the key near-term resistance to follow. Above this level the probability of the futures trading to a new low within this phase of the cycle would start to decrease. However, upside moves that failed at or below USD 105.30 would warn that there was a larger, bearish Elliott wave cycle in play. We were cautious on downside breakouts below USD 100.85 at that point.
- The futures have seen a small move lower but remain above the USD 100.85 fractal low. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 101.77 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Likewise, a close above USD 101.77 wit the RSI at or above 43 will mean it is aligned to the buyside. Upside moves that fail at or below USD 102.96 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical this morning, as highlighted yesterday, the lower timeframe Elliott wave cycle looks like it may have completed. Below USD 100.85 will signal a bearish Elliott wave extension (on the lower timeframe); however, this will also create a positive divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, meaning we are cautious on downside breakouts. Conversely, upside moves above USD 102.96 will warn that the probability of the futures trading to a new low within this phase of the cycle will start to decrease. Key longer-term resistance remains unchanged at USD 05.30, a rejection of this level will warn that there could be a larger, bear Elliott wave cycle coming into play.

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