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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

Support		Resistance		Current Price	Bull	Bear
S1	101.73	R1	102.96	102.80		RSI below 50
S2	100.99	R2	103.65			
S3	99.80	R3	104.05			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above daily pivot level USD 101.73
- Unchanged on the technical yesterday, as highlighted previously, the lower timeframe Elliott wave cycle looked like it may have completed. Below USD 100.85 would signal a bearish Elliott wave extension (on the lower timeframe); however, we noted that this would also create a positive divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, meaning we were cautious on downside breakouts. Conversely, upside moves above USD 102.96 would warn that the probability of the futures trading to a new low within this phase of the cycle would start to decrease. Key longer-term resistance remains unchanged at USD 105.30, a rejection of this level would warn that there could be a larger, bearish Elliott wave cycle coming into play.
- The futures have moved higher with price now trading between the EMA resistance band having breached the USD 102.96 level. The RSI is below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 101.73 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 105.30 will warn that there could be a larger, bearish Elliott wave cycle coming into play.
- Technically bearish with a with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI implies that momentum is support, warning that resistance levels are vulnerable, above USD 104.05 the futures will be bullish based on price. With the futures breaching key near-term resistance (102.96), whilst the lower timeframe Elliott wave cycle looks to have completed, we maintain a cautious view on downside moves, as the technical warns that they could struggle to hold.