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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	103.38	R1	104.28	104.10	RSI above 50	
S2	102.90	R2	104.37			
S3	102.27	R3	105.30			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (52)
- Stochastic is above 50
- Price is below daily pivot level USD 104.37
- Technically bullish yesterday, the downside move in the Asian day session previously had failed to hold below the intraday 200-period MA, resulting in price moving higher. The MA on the RSI implied that momentum was supported, warning the USD 105.30 resistance could be tested and broken. If it was, then it would further support a buyer's argument. Conversely, a rejection of this level would warn that we could be looking at a more complex corrective phase, in the form of a W, X, Y pattern (double A, B, C pattern with X being the interconnecting move higher). The technical had momentum support but price needed to hold above the intraday 200-perod MA, if we did, then resistance could be tested and broken. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend; however, the 1-hour RSI was divergent, leaving the futures vulnerable to an intraday throwback, warning Fibonacci support could come under pressure in the near-term.
- He futures traded to a low of USD 103.25 on the back of the divergence, before finding light bid support. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 104.37 with the RSI at or above 56.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 102.24 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is now flat, implying momentum is starting to turn neutral; however, our Elliott wave analysis does suggest that downside moves look to be countertrend, making USD 102.24 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Conversely, upside moves that fail at or below USD 105.30 will warn that there could be a larger, bearish Elliott wave cycle in play. For upside continuation, price is going to need to close and hold above the intraday 200-period MA (USD 104.28)