

Iron Ore Offshore Jan 26 Morning Technical Comment—240 Min Chart

Support	Resistance	Current Price	Bull	Bear
S1 105.73	R1 106.65	106.60	RSI above 50	Stochastic overbought
S2 105.57	R2 107.35			
S3 105.42	R3 108.23			

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above daily pivot level USD 105.57
- Technically bullish yesterday, we noted that the wave cycle was becoming unclear on the lower timeframe at that point, as it looked to be a short wave 3 on the extension. Upside moves above USD 106.55 would be in divergence with the RSI, meaning we have note of caution above this level.
- The futures have traded to a new high, we remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 105.57 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 105.00 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means the futures are in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Key support is at USD 105.00, below this level the probability of the futures trading to a new high will start to decrease. A cautious bull due to the divergence in play.

Chart source Bloomberg