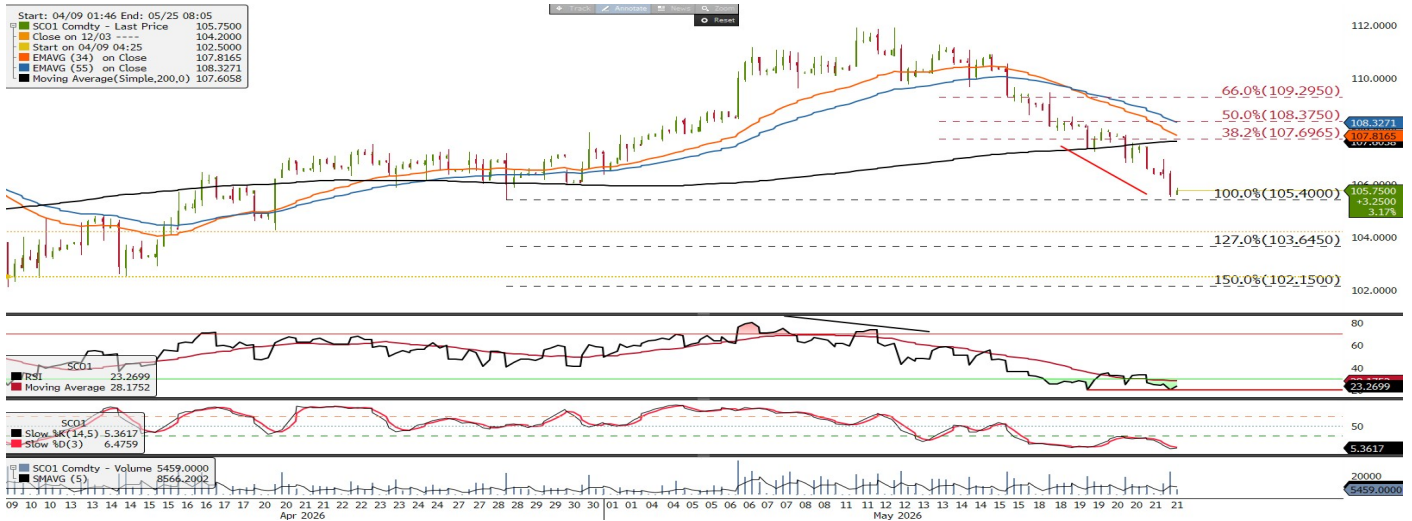




# Iron Ore Offshore Intraday Technical

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## Iron Ore Offshore June 26 Morning Technical Comment—240 Min Chart



	Support	Resistance	Current Price	Bull	Bear
S1	105.40	R1	107.33	Stochastic oversold	RSI below 50
S2	104.25	R2	107.69		
S3	103.64	R3	108.37		

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (23)
- Stochastic is oversold
- Price is below daily pivot level USD 107.33
- Technical Outlook Previously: Positive divergence in play
- The depth of the pullback yesterday meant that the probability of the futures trading to a new high had started to decrease. However, the move to a new low meant that we had a positive divergence in play, warning sell side momentum could slow down. A close and hold above the 200-period MA, and the high of the last dominant bear candle (USD 107.50—USD 107.85) would signal an increase in buy-side pressure, warning the Fibonacci resistance zone could be tested. Conversely, downside moves supported by divergence failure would signal sell side momentum is on the increase again. While the divergence was in play the technical warranted caution on downside moves at those levels in the near-term.
- The futures continue to come under pressure with price trading to new lows. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 107.33 with the RSI at or above 30.5 will mean price and momentum are aligned to buy-side. Upside moves that fail at or below USD 109.29 will leave the futures vulnerable to further tests to the downside, above this level, the futures will re-enter bullish territory.
- Technical Outlook: Upside moves considered as countertrend
- The futures have traded to a new low with the RSI testing support, meaning a positive divergence remains in play. Lower timeframe Elliott wave analysis suggests that upside moves should be considered as countertrend, providing we remain below the USD 109.29 level. Above USD 109.29 the probability of the futures trading to a new low will begin to decrease. With the RSI at 23 and still divergent, we maintain a note of caution on lower moves in the near-term. However, divergence failure would signal bearish momentum confirmation, warning support could come under further pressure.

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