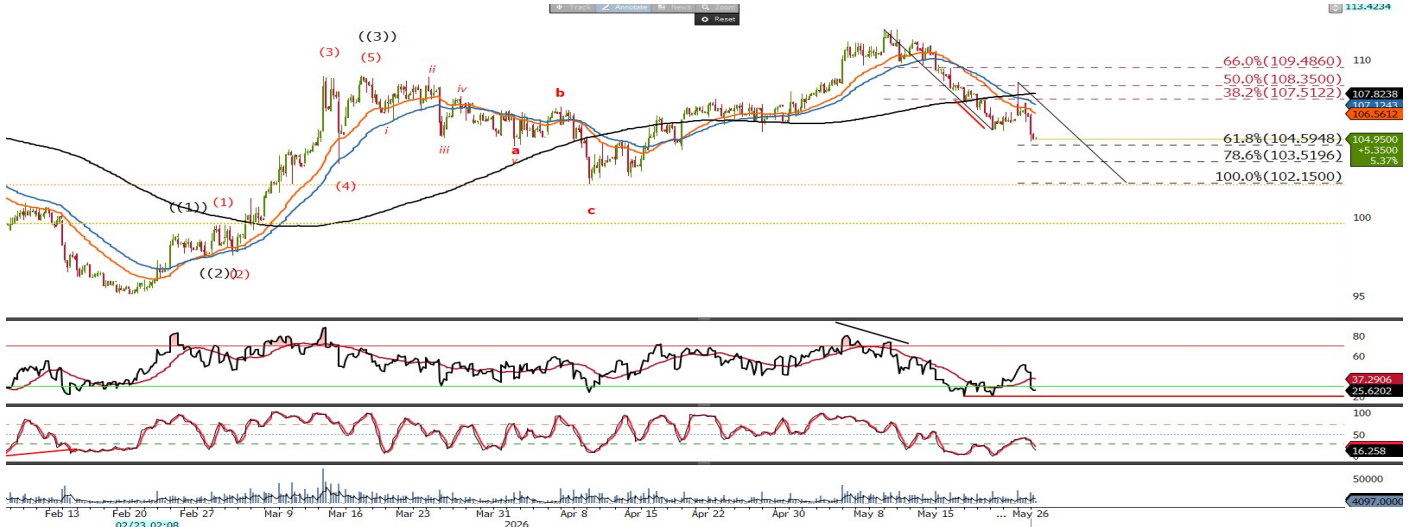




# Iron Ore Offshore Intraday Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	104.59	R1	104.95	Stochastic oversold	RSI below 50
S2	103.51	R2			
S3	102.15	R3			

### Synopsis - Intraday

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (25)
- Stochastic is oversold
- Price is below daily pivot level USD 107.10
- Technical Outlook Previously: Upside moves considered as countertrend
- We noted last week that the futures had traded to a new low with the RSI testing support, meaning a positive divergence remains in play. Lower timeframe Elliott wave analysis suggested that upside moves should be considered as countertrend, providing we remained below the USD 109.29 level. Above USD 109.29 the probability of the futures trading to a new low would 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.
- The futures traded to a high of USD 108.55 before trading to a new low in the Asian day session. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 107.10 with the RSI at or above 39.5 will mean price and momentum are aligned to buyside. Upside moves that fail at or below USD 109.48 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 new low means that the futures are in divergence with the RSI; not a buy signal it is a warning that we could see a momentum slowdown, this will need to be monitored. However, the corrective move lower looks to consist of 5 waves, suggesting we could be looking a corrective 5-3-5 pattern, implying upside moves should be considered as countertrend. 5 waves lower indicates a zig-zag pattern, implying the upside wave B should in theory remain below the USD 109.48 resistance. The divergence suggests caution on lower moves at these levels in the near-term.

Chart source Bloomberg

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