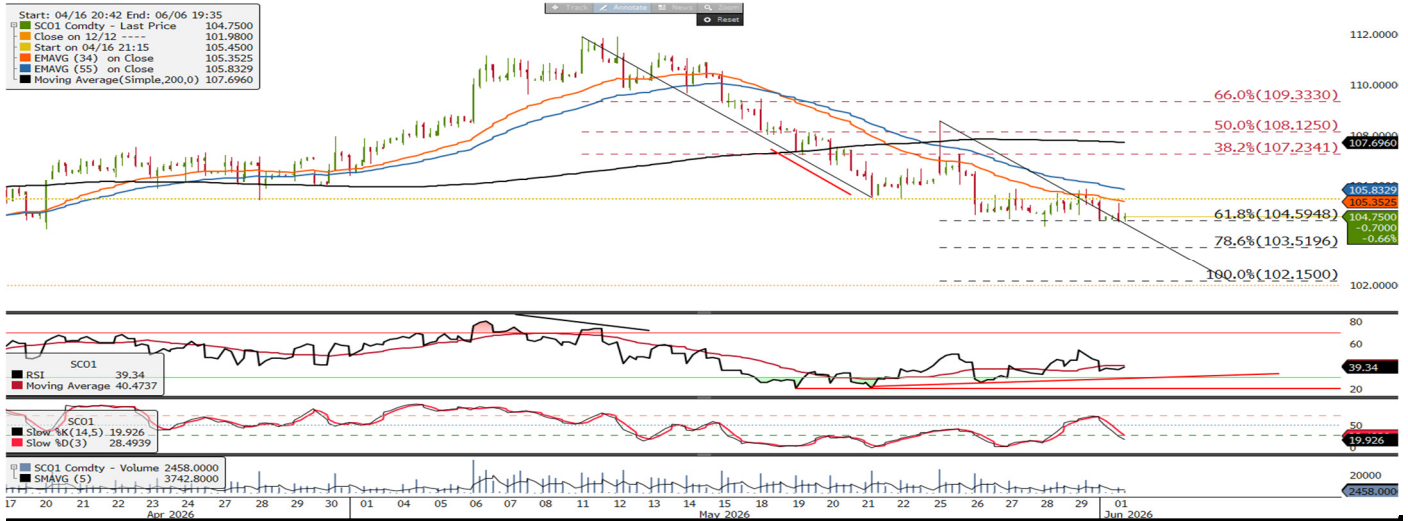




Iron Ore Offshore Intraday Technical

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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	105.34	Stochastic oversold	RSI below 50
S2	103.51	R2	107.23		
S3	102.15	R3	108.12		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below daily pivot level USD 105.34
- Technical Outlook Previously: Upside moves considered as countertrend
- We noted previously that the new low meant that the futures were in divergence with the RSI; not a buy signal it warned that we could see a momentum slowdown, this needed to be monitored. However, the corrective move lower looked 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 indicated a zig-zag pattern, implying the upside wave B should in theory remain below the USD 109.48 resistance. The divergence suggested caution on lower moves at these levels in the near-term.
- The futures continue to consolidate near their 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 105.34 with the RSI at or above 42.5 will mean price and momentum are aligned to buyside. Upside moves that fail at or below USD 109.33 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
- Price remains in divergence with the RSI, meaning we continue to be cautious of lower moves at these levels. However, as stated previously, the corrective pattern looks like it could be 5-3-5, implying upside moves should be considered as countertrend. Market shorts should be cautious on pullbacks above USD 109.33, as it will warn that the probability of the futures trading to a new low has started to decrease.

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