



# 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	100.42	R1	103.06	Stochastic oversold	RSI below 50
S2	99.70	R2	103.62		
S3	98.95	R3	104.19		

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (16)
- Stochastic is oversold
- Price is below daily pivot level USD 104.19
- Technical Outlook Previously: Upside moves considered as countertrend
- Higher timeframe Elliott wave analysis yesterday continued to suggest that upside moves should be considered as countertrend. The break to the downside in the Asian day session meant that we had a positive divergence in play, this warned that sell side momentum could slow, we still needed to see price action confirm to confirm this. The caveat on the downside move was that price was below the daily 200-period MA at USD 104.56; if we closed and held below the average, then the divergence had a higher probability of failing, suggesting short-term market buyers would need to see a close back above the average.
- The divergence failed to produce bullish price action, resulting in price closing and holding below the daily 200-period MA at USD 104.56; this has resulted in the intraday divergence failing. 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 104.19 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 104.35 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 close and hold below the daily 200-period MA has resulted in divergence failure. With the bearish Elliott wave cycle extending, we have brought Fibonacci resistance in, as this puts them in line with the lower timeframe cycles. The divergence failure signals bearish momentum confirmation, implying upside moves should be considered as countertrend, providing we remain below the USD 104.35 resistance. High volume bearish candles support the current mover lower; market shorts should act with caution on intraday moves higher on high volume, as our expectation is that upside moves should be on lighter volume at this point.

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