



# Iron Ore Offshore Intraday Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	98.44	R1	98.75	RSI above 50	
S2	97.20	R2			
S3	95.80	R3			

### Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is above 50 (53)
- Stochastic is above 50
- Price is above daily pivot level USD 98.44
- Technical Outlook Previously: Divergent below USD 97.35
- Price was testing fractal support at USD 97.35 on Thursday. We noted that market sellers should cautious on downside breakouts to a new low, as they would become divergent with the RSI. Not a buy signal, the divergence warned that we could see a momentum slowdown, confirmation from price would be needed. The move looked to consist of 5 waves, suggesting we could still be in a corrective wave A, indicating upside moves should be considered as countertrend, providing longer-term resistance at USD 106.95 was not breached. The technical indicated caution on downside moves at these levels.
- The futures have moved higher on the positive divergence. Price is between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 97.35 with the RSI at or below 44.5 will mean price and momentum are aligned to sell side. Upside moves that fail at or below USD 101.14 will leave the futures vulnerable to further tests to the downside, above this level, the technical will have a neutral bias.
- Technical Outlook: Caution on downside moves
- 5-Waves lower with the 5th wave also consisting of 5-waves, while moving higher on a positive divergence, suggests caution on downside moves. As highlighted previously, the structure of this move warns that we look to be in a higher timeframes corrective wave A, implying upside moves should be considered as countertrend. If we reject the USD 101.14 resistance it will warn that the lower timeframe wave 5 could be extending; however, the longer-term corrective cycle remains bearish below USD 106.76. The upside move above USD 98.90 warns that this phase of the corrective cycle looks to have completed, meaning resistance levels are considered to be vulnerable.

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