



Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



	Support	Resistance	Current Price	Bull	Bear	
S1	98.55	R1	99.00	RSI above 50	Stochastic overbought	
S2	97.20	R2				101.14
S3	95.80	R3				103.10

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above daily pivot level USD 98.55
- Technical Outlook Previously: Caution on downside moves
- We noted yesterday that 5-Waves lower with the 5th wave also consisting of 5-waves, while moving higher on a positive divergence, suggested caution on downside moves. As highlighted previously, the structure of this move warned that we look to be in a higher timeframes corrective wave A, implying upside moves should be considered as countertrend. If we rejected the USD 101.14 resistance it would warn that the lower timeframe wave 5 cycle could be extending; however, the longer-term corrective cycle remained bearish below USD 106.76. The upside move above USD 98.90 warned that this phase of the corrective cycle looked to have completed, meaning resistance levels are considered to be vulnerable.
- The futures continue to see light bid support. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 98.55 with the RSI at or below 48 would 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
- As highlighted previously, our Elliott wave analysis is warning that that this phase of the corrective cycle may have completed. We should note that above USD 98.75 the RSI has the potential to be divergent; however, divergences need to be confirmed, it could be noise, as we are seeing warning signs from our wave analysis that resistance is starting to become vulnerable. As highlighted previously, the structure of this move warns that we look to be in a higher timeframe corrective wave A, implying upside moves should be considered as countertrend. If we reject the USD 101.14 resistance it would warn that the lower timeframe wave 5 cycle could be extending to the downside. Above USD 101.14 would signal that near-term buy side pressure is increasing.

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