



# Iron Ore Offshore Intraday Technical

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## Iron Ore July Offshore



	Support	Resistance	Current Price	Bull	Bear
S1	97.20	R1	97.35		RSI below 50
S2	95.80	R2			
S3	93.82	R3			

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (34)
- Stochastic is above 50
- Price is below daily pivot level USD 98.98
- Technical Outlook Previously: Caution on downside moves
- As highlighted previously, our Elliott wave analysis warned that this phase of the corrective cycle may have completed. We noted that above USD 98.75 (correction USD 99.75) the RSI had the potential to be divergent; however, divergences needed to be confirmed, otherwise it could be noise, as we were seeing warning signs from our wave analysis that resistance is starting to become vulnerable. As highlighted previously, the structure of this move warned that we look to be in a higher timeframe 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 to the downside. Above USD 101.14 would signal that near-term buyside pressure is increasing.
- The futures have rejected the Fibonacci resistance zone but price remains above the USD 96.80 fractal support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 98.98 with the RSI at or above 54.5 would mean price and momentum are aligned to buyside. 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: Inflection point
- We had not been expecting the lower move today due to the lower timeframe cycle looking like it had potentially completed; however, we should note that the futures have not traded to a new low at this point. Below USD 96.80 would suggest that there could be a larger cycle coming into play, our issue with a downside breakout would be that both the intraday and daily RSI's would be divergent; for downside continuation, both divergences would need to fail. Price is at an inflection point, as a new low will damage the structure of our wave analysis due to the shallow pullback, meaning we would become neutral below USD 96.80.

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