



Iron Ore Offshore Intraday Technical

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Iron Ore Aug Offshore



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|-------|--------------|
| S1 | 97.20 | R1 | 98.38 | | |
| S2 | 95.80 | R2 | 99.54 | 97.90 | RSI below 50 |
| S3 | 93.82 | R3 | 100.57 | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (42)
- Stochastic is overbought
- Price is below daily pivot level USD 98.38
- Technical Outlook Previously: Neutral
- We noted yesterday that a bearish sloping intraday 200-period MA at USD 100.77 warned that support levels remain vulnerable at that point, a daily rejection candle under the average highlighted sellers at higher levels. However, the counter argument was that downside moves below the USD 96.80 fractal low would create further positive divergence with the RSI, implying caution below this level. The divergence was a condition, not a buy signal, we would need to see bullish confirmation from price to confirm that it was being respected. The confliction on the technical meant that we were neutral at those levels.
- The futures have seen light selling pressure in the Asina day session. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 98.38 with the RSI at or above 50.5 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: Neutral
- A bearish intraday 200-period MA and an upside rejection candle warn that support remains vulnerable, an added variable today, there is potentially an intraday head and shoulder continuation pattern forming. On the buyside, price will be divergent below USD 96.80 on the intraday an daily timeframes. This is a condition that warns that sell side momentum could slow down, it would need bullish price action to confirm it was being respected. We also note that we have a 5-wave pattern lower, with the 5th wave also showing 5-waves. There is nothing stopping a 5th wave extension within this wave A; however, it is another reason to be cautious on downside breakouts, as a lower move would need to be aggressive for the divergences to fail. There are too many variables on the this technical, caution is warranted on both sides, meaning we maintain a neutral bias.

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