



Iron Ore Offshore Intraday Technical

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Iron Ore Aug Offshore



	Support	Resistance	Current Price	Bull	Bear
S1	98.15	R1	99.54	RSI above 50	
S2	97.20	R2	100.31		
S3	95.80	R3	101.14		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (60)
- Stochastic is below 50
- Price is above daily pivot level USD 98.15
- Technical Outlook Previously: Neutral
- A bearish sloping intraday 200-period MA and an upside rejection candle yesterday warned that support remained vulnerable, an added variable today, there was potentially an intraday head and shoulder continuation pattern forming. On the buyside, price would be divergent below USD 96.80 on the intraday an daily timeframes. We noted that this was a condition that warned that sell side momentum could slow down, meaning we would need bullish price action to confirm it was being respected. We also noted that we had 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 was 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 technical, caution was warranted on both sides, meaning we maintain a neutral bias.
- The futures have seen bid support in the Asian day session meaning that the bearish head and shoulders continuation pattern has failed. We are above 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 98.15 with the RSI at or below 49 would mean price and momentum are aligned to sell side. Upside moves that fail at or below USD 101.14 would leave the futures vulnerable to further tests to the downside, above this level, the technical will have a neutral bias.
- Technical Outlook: buyside pressure increasing
- The H&S pattern failure means that both price and the RSI have made new highs, signaling bullish momentum confirmation, warning resistance levels remain vulnerable in the near-term. A close and hold above the bearish sloping 200-period MA at USD 100.31 will further support a near-term buyside argument. Note: the initial move lower consists of 5-waves, suggesting the longer-term technical remains bearish below USD 106.76 and neutral above.

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