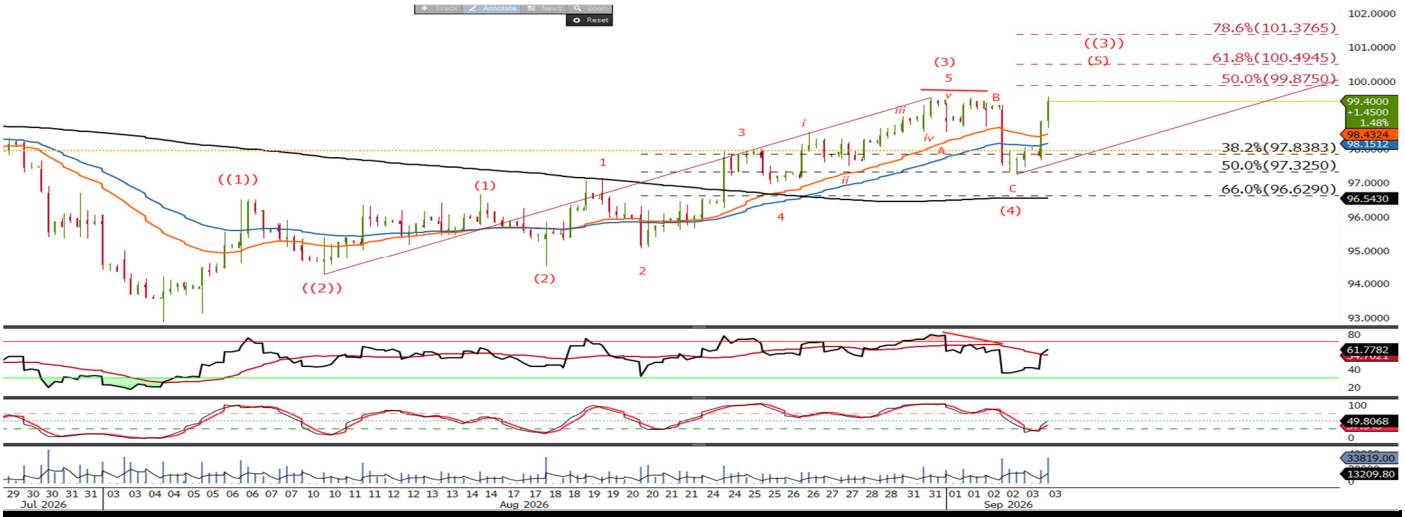
Iron Ore Offshore Intraday Technical

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Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	97.96	R1	99.87	99.40	RSI above 50	
S2	97.83	R2	100.49			
S3	97.32	R3	101.37			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (61)
- Stochastic is below 50
- Price is above daily pivot level USD 97.96
- Technical Outlook Previously: Negative divergence
- We noted on Monday that the upside move to a new high suggested that we have seen a lower timeframe bullish Elliott wave extension. Price has traded back up to the USD 99.50 resistance, above this level the RSI would be divergent with price, warning buyside momentum had the potential to slow down. Wave analysis did suggest that downside moves should be considered as countertrend, providing throw-backs hold at or above the USD 96.62 Fibonacci support. Downside moves below USD 98.50 would indicate that the futures are entering a corrective phase, warning support levels could come under pressure in the near-term. With the potential to diverge above USD 99.50, while the RSI was also below its moving average, we had a cautious approach to upside breakouts.
- The futures failed to trade above the USD 99.50 level resulting in price selling to a low of USD 97.25. We noted in the close report on Tuesday evening that with the pullback looking like it would be countertrend, we had a note of caution on lower moves while above the USD 96.62 support. The futures have traded back to new highs in the Asian day session; price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 97.96 with the RSI at or below 68.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 96.62 would support a longer-term buyer's argument, below this level the technical will have a neutral bias.
- Technical Outlook: Negative divergence
- The futures have traded at a high of USD 99.55, meaning we have an negative RSI divergence in play. The divergence is a condition that warns the buyside momentum could slow down, it is not a sell signal, but will need to be monitored. Fibonacci projection levels indicate that we have a potential upside target at USD 100.49 for this phase of the cycle. Base on our higher timeframe Elliott wave count, downside moves are still considered as countertrend. Due to the divergence, the technical now warrants a cautious approach to higher moves at these levels.

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