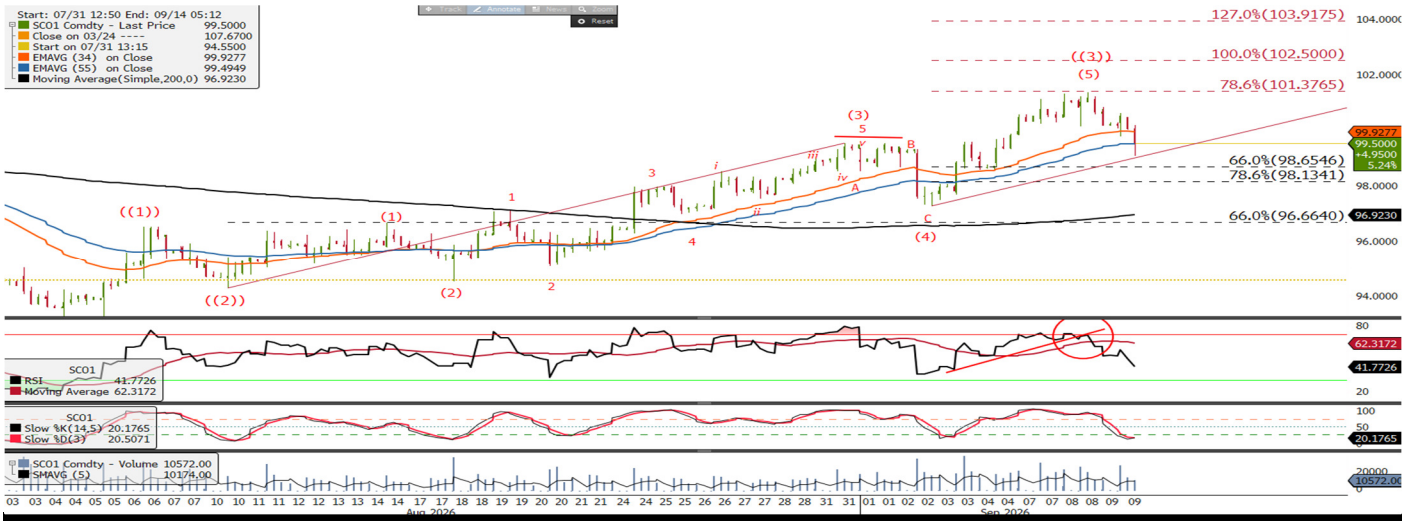
Iron Ore Offshore Intraday Technical

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

Iron Ore Oct Offshore



Support		Resistance		Current Price	Bull	Bear
S1	98.65	R1	100.82	99.50	Stochastic oversold	RSI below 50
S2	98.13	R2	101.37			
S3	96.66	R3	102.50			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below daily pivot level USD 100.82
- Technical Outlook Previously: Downside moves considered as countertrend
- The RSI was starting to find a resistance area around the 70 level yesterday, warning we could see a slowdown in bid support in the futures. Throwbacks that hold at or above USD 98.65 would suggest we are seeing further extension within the lower timeframe wave cycle; conversely, a move below this level would imply that we could be entering a higher timeframe corrective phase. Key support was at USD 96.64, throwbacks below this level would reduce the probability of the futures trading at new highs. Intraday moves below the USD 100.10 fractal support would signal an increase in sell side pressure. The RSI resistance was supported by a negative divergence on the 1-hour timeframe, implying caution on higher moves at those levels.
- We noted on the close report last night that the RSI had broken trend support, signaling momentum was weakening. The futures have traded below the USD 100.10 fractal support on the RSI divergence highlighted, resulting in price entering a corrective phase. We are between the EMA support 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 100.82 with the RSI at or above 64.5 would mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 98.65 would support a buyer's argument, below this level the lower timeframe Elliott wave cycle would have a neutral bias.
- Technical Outlook: Corrective
- The futures have entered a corrective phase on the weakening momentum, making USD 98.65 the key near-term support to follow. If we hold this level, then the futures will be vulnerable to further upside moves; however, if broken, it would suggest we have entered a higher timeframe countertrend move, implying the extended wave 3 has completed. On the basis we have already seen a wave 3 extension, we are currently cautious on higher moves at this point, as the futures look like we could be in the higher timeframe wave 4, as it would be unusual for both waves to extend within the same phase of the cycle. If we are in the higher 4, then USD 96.66 will be the key support to follow.

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