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	94.50	R1	97.04	95.60	Stochastic oversold	RSI below 50
S2	93.10	R2	97.76			
S3	92.85	R3	98.45			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below daily pivot level USD 97.04
- Technical Outlook Previously: Neutral
- We noted in the weekly report on Friday that the move below USD 96.83 implied that the probability of price trading at a new high had started to decrease, signaling the technical was neutral. On the intraday technical, I had the Elliott wave cycle marked as an extended wave 3, suggesting there should be another bullish wave within this cycle. The depth of the pullback (alongside the first and last waves being nearly equal in length) suggested that the 5-wave pattern had completed (alternative count highlighted on the chart). If this was the case, then throwbacks that held at or above USD 95.74 would leave price vulnerable to further bullish impulse moves (I.E. a new cycle); conversely, if breached, then the USD 92.85 support would start to become vulnerable. Bearish momentum confirmation was supported by three bearish red soldiers, warning there has been a change of psychology in the market, meaning support was vulnerable; countering the bear pattern, the RSI was above 40; if we held above the 40 level with price holding above 95.74, it would suggest there was underlying support. We had a degree of uncertainty on this technical, meaning we were neutral.
- The futures have sold below the USD 95.74 support, we are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 97.04 with the RSI at or above 31.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 99.37 would level the futures vulnerable to further tests to the downside, above this level the technical would re-enter bullish territory.
- Technical Outlook: Cautious on upside moves
- The move below the USD 95.74 support implies that the probability of there being a larger bull cycle has started to decrease, meaning we are now cautious on higher moves. The RSI is below 30, signaling weak momentum, supporting our cautious approach to market pullbacks. This pullback indicate our original Elliott wave count was wrong, warning the USD 92.85 fractal low is now vulnerable.

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