



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore Feb 23 Morning Technical Comment – 240 Min Chart



Support	Resistance	Current Price	Bull	Bear
S1	R1	119.70	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA
- RSI is above 50 (52)
- Stochastic is oversold
- Price is below daily pivot point USD 123.28
- We remained a cautious bull on Friday having revised our upside target down to USD 126.5,5 based on this looking like it would be the maximum upside target using the intraday Elliott wave cycle. Upside moves above this level would suggest some form of wave extension, something we could not confirm at that point. The futures had already corrected USD 1.35 from the USD 126.10 high, we have seen a further deeper correction since then with the futures mean reverting back to the EMA support band. The RSI remains above 50 but price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 123.28 with the RSI at or above 65 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 123.82 will leave the futures vulnerable to further tests to the downside, above this level the technical will target the USD 126.10 – USD 126.55 resistance zone. Likewise, downside moves that hold at or above USD 113.46 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the RSI is above 50 whilst the stochastic is oversold, providing the RSI can hold above 50 and price above the EMA support band, then the futures are vulnerable to a test to the upside. However, if the RSI moves below 50 and the EMA support band is broken, then the USD 113.46 support will be vulnerable. Lower timeframe wave analysis is warning that there is the potential for one more wave to the upside; however, this would be a wave 5 of 5, meaning we do not consider the futures a technical buy at this point, as these waves have a habit of not appearing, especially as the Chinese government has stepped in to quell buyside market speculation. Bullish, in a corrective phase but not considered a technical buy.

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