



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	127.18	R1	128.65	RSI above 50	Stochastic overbought
S2	123.65	R2			
S3	121.97	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above daily pivot point USD 127.18
- Before the CNY the futures had looked to be on an Elliott wave 5 of 5, with the wave one being longer than the wave 3, meaning we had a maximum upside target of USD 126.55 based on the Elliott rules. The futures have moved higher, suggesting we are seeing some form of wave extension (I cannot see why based on my wave count at this point). Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 127.18 with the RSI at or below 61.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 121.97 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 118.40 is the technical bearish.
- Technically bullish, the futures are in divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown and will need to be monitored. In terms of the Elliott wave, we will now need to wait for some clarity as the wave 3 is currently showing as the shortest wave which based on Elliott rules should not happen, meaning we either have wave extension, or an anomaly. A cautious bull due to the divergence and the lack of wave clarity at this point.

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