



# Iron Ore Offshore Intraday Morning Technical

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## Iron Ore Offshore Feb 24 Morning Technical Comment – 240 Min Chart



|    | Support | Resistance | Current Price | Bull                | Bear         |        |
|----|---------|------------|---------------|---------------------|--------------|--------|
| S1 | 134.00  | R1         | 134.30        | Stochastic oversold | RSI below 50 |        |
| S2 | 131.98  | R2         |               |                     |              | 137.50 |
| S3 | 130.55  | R3         |               |                     |              | 139.42 |

### Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Price is above the daily pivot point USD 134.00
- Technically bearish yesterday, the break lower meant that we had a potential downside target for this phase of the cycle at USD 130.55. This was based on the 100% Fibonacci projection from the flag break. The MA on the RSI continued to warn of momentum weakness whilst the RSI was making new lows, suggesting upside moves still had the potential to be countertrend. The futures traded to a low of USD 131.55 before finding bid support, we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 134.00 with the RSI at or above 42.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 38 will mean it is aligned to the sell side. Upside moves that fail at or below USD 139.42 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI is starting to cross its MA, but the average is still warning of momentum weakness. The new low on the RSI yesterday would suggest that upside moves have the potential to be countertrend. We have revised the Fibonacci levels higher, as the move lower looks to be a corrective wave A, meaning the flag break in the middle remains part of the initial bear wave. If we do trade above USD 139.42 then the probability of the futures trading to a new low will start to decrease.

Chart source Bloomberg

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