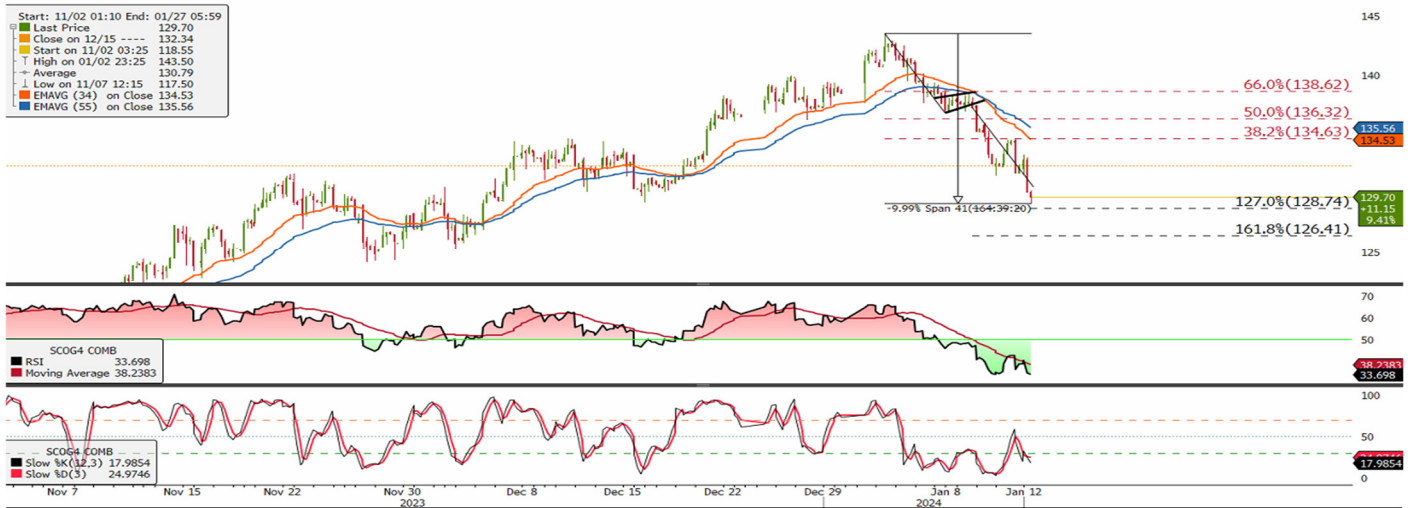




# Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	128.74	R1	133.44	Stochastic oversold	RSI below 50
S2	127.20	R2	134.63		
S3	126.41	R3	136.32		

### Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is above the daily pivot point USD 133.44
- Technically bearish yesterday, the RSI was starting to cross its MA, but the average still warned of momentum weakness. The new low on the RSI previously suggested that upside moves had the potential to be countertrend. We revised the Fibonacci levels higher, as the move lower looked to be a corrective wave A, meaning the flag break in the middle, remained part of the initial bear wave. If we did trade above USD 139.42 then the probability of the futures trading to a new low would start to decrease. The RSI failed to hold above its average, resulting in another strong impulse move lower. We remain below all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle above USD 133.44 with the RSI at or above 40.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 138.62 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, with upside moves still considered to be countertrend. Momentum is now starting to conflict at these levels, as the MA on the RSI would suggest that it remains weak, but we do have a minor divergence in play warning that it could potentially slow down. We have now achieved the 100% projection of the bearish flag. Just a point of note; Bloomberg headline - China's Worst Deflation Streak in 14 Years Puts Pressure on PBOC. It does bring into question. Is this a correction, or are we seeing a rebalance due to deflation pressure, that could be warning that we are at the start of a much larger corrective cycle? It's a bit early to tell at this point, but hard to see DCE iron ore maintaining at elevated levels for too long if we are in a deflationary environment.

Chart source Bloomberg

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