



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	127.23	R1	128.73	Stochastic oversold	RSI below 50
S2	125.22	R2	132.35		
S3	122.65	R3	134.48		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 128.73
- Technically bearish yesterday, the MA on the RSI was starting to flatten whilst we had another positive divergence in play, not a buy signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. The lower timeframe Elliott wave analysis indicated that we have a five-wave pattern lower that was trading on the 61.8% Fibonacci projection level, warning that we could potentially be nearing exhaustion for this phase of the cycle. However, the move lower looked to be a corrective wave A, suggesting any upside move had the potential to be a countertrend wave B at this point, making USD 137.98 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. The futures traded to a low of USD 125.45 in the Asian day session, but the move has failed to hold due to the divergence in play, resulting in the futures now trading USD 3.05 above the low. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 128.73 with the RSI at or below 33 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 137.36 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures have failed to hold the downside move due to the divergence, resulting in a 4-hour bullish rejection candle. If price and momentum become aligned to the buyside, then resistance levels will start to look vulnerable. We maintain our view that upside moves look like they could be countertrend (Elliott wave B); however, we are cautious on downside moves at this point due to the divergence and rejection candle.

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