



# 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	123.40	R1	128.73		
S2	121.28	R2	132.35		RSI below 50
S3	119.15	R3	134.48		

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (34)
- Stochastic is below 50
- Price is below the daily pivot point USD 128.37
- Technically bearish yesterday, the futures had failed to hold the downside move due to the divergence, resulting in a 4-hour bullish rejection candle. If price and momentum became aligned to the buy side, then resistance levels would start to look vulnerable. We maintained our view that upside moves look like they could be countertrend (Elliott wave B); however, we were cautious on downside moves due to the divergence and rejection candle. The futures moved higher with price and momentum becoming aligned to the buy side; however, weak Data out of China has resulted in the futures trading to a new low. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are back aligned to the sell side.
- A close on the 4-hour candle above USD 128.37 with the RSI at or above 38 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 137.31 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the new low on the weak data is indicating that we are seeing a wave extension to the downside, meaning we have the potential to trade as low as USD 119.15 for this phase of the cycle. However, the new low has created another positive divergence with the RSI, this is not a buy signal but is warning that we have the potential to see a momentum slowdown, which will need to be monitored. The MA on the RSI is flat implying momentum is neutral, but the RSI is back below its average. We maintain our view that upside moves look like they will be countertrend at this point.

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