



# 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	127.00	R1	131.79		
S2	123.40	R2	134.02		RSI below 50
S3	121.28	R3	137.06		

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (34)
- Stochastic is above 50
- Price is above the daily pivot point USD 127.00
- Technically bearish yesterday, the new low on the weak data was indicating that we are seeing a wave extension to the downside, meaning we had the potential to trade as low as USD 119.15 for this phase of the cycle. However, the new low had created another positive divergence with the RSI, this was not a buy signal but warned that we had the potential to see a momentum slowdown, which would need to be monitored. The MA on the RSI was flat implying momentum was neutral, but the RSI was back below its average. We maintained our view that upside moves look like they will be countertrend at this point. The futures have moved higher on the positive divergence with the RSI with price now trading within the EMA resistance band, the RSI is below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 127.00 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 137.06 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move higher on the back of the intraday divergence has resulted in the MA on the RSI starting to turn to the upside, implying we are seeing early signs of momentum support. Our Elliott wave analysis is indicating that the upside moves looks to be countertrend; however, if we do trade above the USD 137.06 resistance, then the probability of the futures trading to a new low will start to decrease. One observation to be aware of, the weekly 200-period MA is at USD 127.23, the average itself is flat to slightly bullish, but has been some of the time (not all). If we close above this level on the weekly candle tomorrow, we could see resistance levels come under pressure in the near-term.

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