



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	127.85	R1	130.60	Stochastic overbought	RSI below 50
S2	123.40	R2			
S3	121.28	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Price is above the daily pivot point USD 127.85
- Technically bearish yesterday, the move higher on the back of the intraday divergence 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 looked to be countertrend; however, if we did 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 respected 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. The futures moved higher on the back of the momentum support with price now trading above 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 127.85 with the RSI at or below 38 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 intraday Elliott wave cycle is suggesting upside moves could be countertrend. However, momentum is turning bullish whilst the weekly candle is looking like it could close above the 200-period average, having produced a bullish rejection candle. This could bring into focus the 137.06 resistance, if broken, then the probability of the futures trading to a new low will start to decrease.

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