



# Iron Ore Offshore Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



| Support | Resistance | Current Price | Bull         | Bear                  |
|---------|------------|---------------|--------------|-----------------------|
| S1      | 132.09     | R1            | 137.06       | Stochastic overbought |
| S2      | 131.13     | R2            | 139.44       |                       |
| S3      | 129.88     | R3            | 143.50       |                       |
|         |            | 135.10        | RSI above 50 |                       |

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 130.87
- The technical remained in bearish territory yesterday with key resistance at USD 137.06, a move above this level would mean that the probability of the futures trading to a new low would start to decrease. The MA on the RSI continued to suggest that momentum was supported, meaning resistance levels remained vulnerable. We noted that downside moves that closed below USD 128.57 would warn that momentum based on price was starting to weaken, as this would put the futures below the weekly pivot point, whilst a move below USD 127.75 would break the near-term fractal support, warning we had the potential to move lower. The futures continue to move higher; however, the move in the Asian day session is not related to momentum support, it is due to the Governor of the Peoples Bank of China saying they will cut the RRR in early February. This announcement has increased the risk of the bearish Elliott wave correction failing. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 130.87 with the RSI at or below 48.5 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.
- In theory, we remain in bearish territory below the USD 137.06 resistance. The MA on the RSI continues to suggest that momentum is supported, meaning resistance levels are still vulnerable. If we do see a move above USD 137.06, then the probability of the futures trading to a new low will start to decrease. If we close on the 4-hour candle below USD 132.09, it will warn that the USD 130.87 daily pivot could be rested and broken. The Upside move today means the futures are above the 200-period intraday MA (USD 134.56), if we close above and hold above the average, it will further support a bull argument. Failure to hold above the average will warn that we could see support levels come under pressure.

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