



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	135.07	R1	137.06	RSI above 50	Stochastic overbought
S2	132.15	R2	139.44		
S3	130.70	R3	143.50		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Price is below the daily pivot point USD 135.07
- Technically bearish on Friday, price was below our key Fibonacci resistance level but above the EMA support bands. The RSI was on its MA with which had started to flatten, warning momentum was starting to slow down a little. We asked the question, technical pullback, or the start of another correction? The technical was not clear on this point, Elliott wave analysis warned that upside moves could be countertrend, the momentum was slowing down. However, the upside move on the weekly chart warned that we had the potential for further upside in a classic three pivot support pattern. We noted that if we traded above the USD 136.85 – USD 137.06 levels and the top of the resistance band (USD 137.40), then based on the weekly chart, the USD 143.50 resistance would start to look vulnerable. Likewise, a move below USD 133.60 would warn that the USD 128.73 support could come under pressure. Although we have seen little movement in price, we have traded above the USD 137.06 level, meaning that the probability of the futures trading to a new low had started to decrease. We remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 135.07 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 128.73 will support a near-term bull argument, below this level the USD 124.55 fractal low will start to look vulnerable.
- We are bearish but now have a neutral bias, the futures are trading in the resistance zone highlighted on the chart. The new high means that there is a minor divergence in play with the RSI, not a sell signal it does warn that we could see a momentum slowdown and be vulnerable to an intraday pullback. Countering this, the MA on the RSI is implying that momentum is supported at this point. A conflicting technical; however, due to the divergence and the resistance band, we are cautious on upside moves. If we trade above USD 137.40 and the divergence fails, then the USD 143.50 fractal high could come under pressure.

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