



Iron Ore Offshore Intraday Morning Technical

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Iron Ore Offshore March 24 Morning Technical Comment – 240 Min Chart



Support	Resistance	Current Price	Bull	Bear
S1	R1	127.40	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (32)
- Stochastic is below 50
- Price is below the daily pivot point USD 128.53
- Having moved higher on the back of the positive divergence with the RSI, the futures rejected our key resistance and moved lower on the re-opening of the onshore market yesterday. We remained cautious on downside moves, due to the futures moving higher on the positive divergence that formed before the CNY, and the potential for further divergences below USD 123.65. We noted that a new low would warn that there was potentially a larger Elliott wave corrective cycle in play which would need to be evaluated if this happened. The futures have sold lower resulting in the positive divergence failing. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 128.53 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 128.01 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: key resistance is below the daily pivot level.
- Technically bearish, we have seen a strong mover lower resulting in the divergence failing, as noted in the close report last night, this would suggest that there is a larger, bearish, Elliott wave cycle in play, and not some form of lower timeframe Elliott wave extension to the existing move. The MA on the RSI is implying momentum is weak, whilst the RSI is making new lows, indicating upside moves look like they should now be considered as countertrend.

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