



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	118.40	R1	123.10	Stochastic oversold	RSI below 50
S2	114.84	R2	123.35		
S3	113.36	R3	124.93		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 123.10
- Technically bearish yesterday, we had seen a strong mover lower resulting in the divergence failing, as noted in the close report previously, this suggested that there was 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 implied that momentum was weak, whilst the RSI was making new lows, indicating upside moves look like they should be considered as countertrend. The futures traded to a low of USD 118.85, held the daily 200-period MA (USD 119.10) traded to a high of USD 123.40 before trading to a new low (USD 118.25). We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 123.40 with the RSI at or above 43.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 127.06 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 pullback followed by a new low has created a positive divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown (we are also trading on the daily 200-period MA). As noted in the close report yesterday, we look to be on an Elliott wave 3 of a wave C, although in divergence, we have the potential to trade as low as USD 115.74 within this phase of the cycle (the wave 3). This means, that if our wave analysis is correct, then upside moves should still be considered as countertrend at this point, I.E., a corrective wave wave4.

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