



# 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	118.30	R1	119.55	Stochastic oversold	RSI below 50	
S2	116.72	R2				123.35
S3	115.15	R3				124.93

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 120.22
- Technically bearish yesterday, the intraday pullback followed by a new low had created a positive divergence with the RSI, not a buy signal it warned that we had the potential to see a momentum slowdown (we were also trading on the daily 200-period MA). As noted in the close report previously, we looked to be on an Elliott wave 3 of a wave C. Although in divergence, we noted that we had the potential to trade as low as USD 115.74 (revised to USD 115.15) 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, I.E., a corrective wave 4. The futures are consolidating on the daily 200 period MA (USD 119.16), we are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 120.22 with the RSI at or below 33.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is 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.
- Unchanged on the technical today, the futures are in divergence, warning we are vulnerable to a momentum slowdown. Lower timeframe Elliott wave analysis does suggest that we have the potential to trade as low as USD 115.15 within this phase of the cycle. However, higher-timeframe wave analysis is indicating upside moves should be considered as countertrend, making USD 127.06 the key resistance to follow. If we do trade above this level, then the probability of the futures trading to a new low will start to decrease.

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