



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	117.10	R1	120.48	116.05	Stochastic oversold
S2	115.15	R2	122.60		
S3	112.91	R3	125.45		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (38)
- Stochastic is above 50
- Price is below the daily pivot point USD 116.32
- Technically bearish with price moving higher on the back of the divergence yesterday, we maintained our view that upside moves looked like they could be countertrend based on the Elliott wave cycle, making USD 125.48 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low would start to decrease. Although moving higher, the move was not yet deep enough to confirm it was the corrective wave 4 that we were looking for. We noted that if we traded lower from here, it would indicate further wave 3 extension to the downside. The futures have rejected the EMA resistance band with the RSI still below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 116.32 with the RSI at or below 34.5 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 125.48 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves still considered as countertrend. The futures are holding above the lows, but we are yet to see our oscillator cross on the lower timeframe at this point, meaning we have not confirmed that the upside move is the Elliott wave 4 that we are looking for. Like yesterday, a move below USD 113.60, before we confirm the wave 4, will signal Elliott wave extension; however, we do have a note of caution on moves lower at this point due to the divergence that is in play.

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