



# Iron Ore Offshore Intraday Morning Technical

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## Iron Ore Offshore Feb 25 Morning Technical Comment – 240 Min Chart



	Support	Resistance	Current Price	Bull	Bear
S1	97.92	R1	100.76	Stochastic oversold	RSI below 50
S2	96.90	R2	101.49		
S3	95.45	R3	102.60		

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 100.76
- Technically bullish yesterday, we noted that the downside move to a low of USD 99.95 had held above the weekly pivot level. We had breached key support (USD 100.04); however, the move above USD 101.80 meant the intraday technical was back in bullish territory. The MA on the RSI is implying that momentum was supported, but as noted previously, the initial 5-wave pattern lower suggested that the corrective move was bearish impulse, implying upside moves had the potential to be countertrend (Elliott wave B), making USD 104.48 the key resistance to follow. If we traded above this level, then the bearish corrective cycle had a higher chance of failing. Based on our wave analysis, we remained cautious on moves higher, as they could struggle to hold.
- The upside move failed to hold, resulting in the futures trading to a new low. We are below all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 100.76 with the RSI at or above 48.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 104.10 will warn that there could be a larger, bearish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI is implying that we have light momentum weakness; however, the futures are back in divergence with the RSI warning that we could see a momentum slowdown. there is a chance, that the move lower could turn out to be an extension of the initial bearish wave A; we highlight this as the upside move looks to have been very short for a countertrend wave B. However, in either scenario, upside moves still look like they could be countertrend. We just need clarity on a short-wave B, meaning we are on wave C; or a wave A extension.