



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	95.45	R1	96.60	Stochastic oversold	RSI below 50	
S2	93.60	R2				100.53
S3	91.26	R3				101.82

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 98.99
- Technically bearish on Friday, the MA on the RSI implied that we had light momentum weakness; however, the futures were back in divergence with the RSI, warning that we could see a momentum slowdown. We noted that 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 looked to have been very short for a countertrend wave B. However, in either scenario, upside moves still look like they could be countertrend. We needed clarity on whether we have seen a short-wave B, meaning we are on wave C; or a wave A extension.
- The futures found very light bid support up to USD 99.25; however, the move has failed to hold, resulting in price trading to a new low. 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 98.99 with the RSI at or above 45.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 103.58 will warn that there could be a larger, bearish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI continues to imply that momentum is weak. We maintain our view that upside moves look like they could be countertrend; however, we do still lack clarity on whether this is a wave A extension, or a short wave-B higher, meaning we are on wave C. Key resistance is at USD 103.58, upside moves that reject this level will warn that the initial move lower as an extended wave A, leaving support levels vulnerable.

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