



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 | R1 | 104.00 | RSI above 50 | Stochastic overbought |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 103.32
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported, whilst the breach in the USD 103.42 resistance suggested that the probability of the Elliott wave cycle trading to a new low had started to decrease. Based on the RSI making new highs, alongside key resistance being broken, downside moves looked like they should in theory be countertrend. Market bulls should note that the daily 200-period MA was at USD 104.59; the higher timeframe MA was likely to get more respect than the intraday average, implying caution around that level.
- The futures traded to a high of USD 104.50 before rejecting the daily 200-period MA and seeing an intraday pullback to USD 102.85. However, we remain supported with price above the EMA support band whilst the RSI is above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 103.32 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 98.82 will support a bull argument, below this level the Elliott wave cycle will be back in bearish territory.
- Technically bullish, the MA on the RSI has flattened a little, meaning we only have light momentum support. Upside moves above USD 104.50 will create a negative divergence with the RSI, suggesting caution on upside breakouts, we also have the daily 200-period MA at USD 104.55. Lower timeframe Elliott wave analysis is suggesting that downside moves should be considered as countertrend at this point. A cautious bull at these levels, as momentum is slowing with price approaching the longer-term daily average.

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