



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 | 101.74 | R1 | 103.85 | RSI above 50 | |
| S2 | 100.62 | R2 | 104.43 | | |
| S3 | 99.11 | R3 | 104.86 | | |

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (57)
- Stochastic is below 50
- Price is below the daily pivot point USD 103.85
- Technically bullish yesterday, the futures looked to be in a countertrend Elliott wave 4. The MA on the RSI implied that momentum was weak, warning support levels could come under pressure in the near-term. However, we noted that if we closed back above the lower channel trend line (USD 105.34) or produce a daily close back above the daily 200-period MA (USD 104.49), it would suggest we are on a bullish impulse wave 5.
- The futures failed to close above the 200 – period MA (USD 104.43) resulting in price selling to a low of USD 103.15. We remain above the EMA support band whilst the RSI is below 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 103.85 with the RSI at or above 64 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 99.11 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the Technical today, we remain bullish with our Elliott wave analysis suggesting downside moves should be considered as countertrend, making USD 99.11 the key support to follow. The failure to close above the daily 200-period MA yesterday is warning that there could be further downside within this correction. Our observation in the EU close report last night also noted that the pullback remained shallow, again suggesting there could be further downside. However, a close above that holds above the longer-term daily MA (USD 104.43), will indicate underlying support in the market, warning the USD 105.35 fractal resistance could be tested and broken. We maintain our view that downside moves look like they will be countertrend.

Chart source Bloomberg