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Iron Ore Offshore

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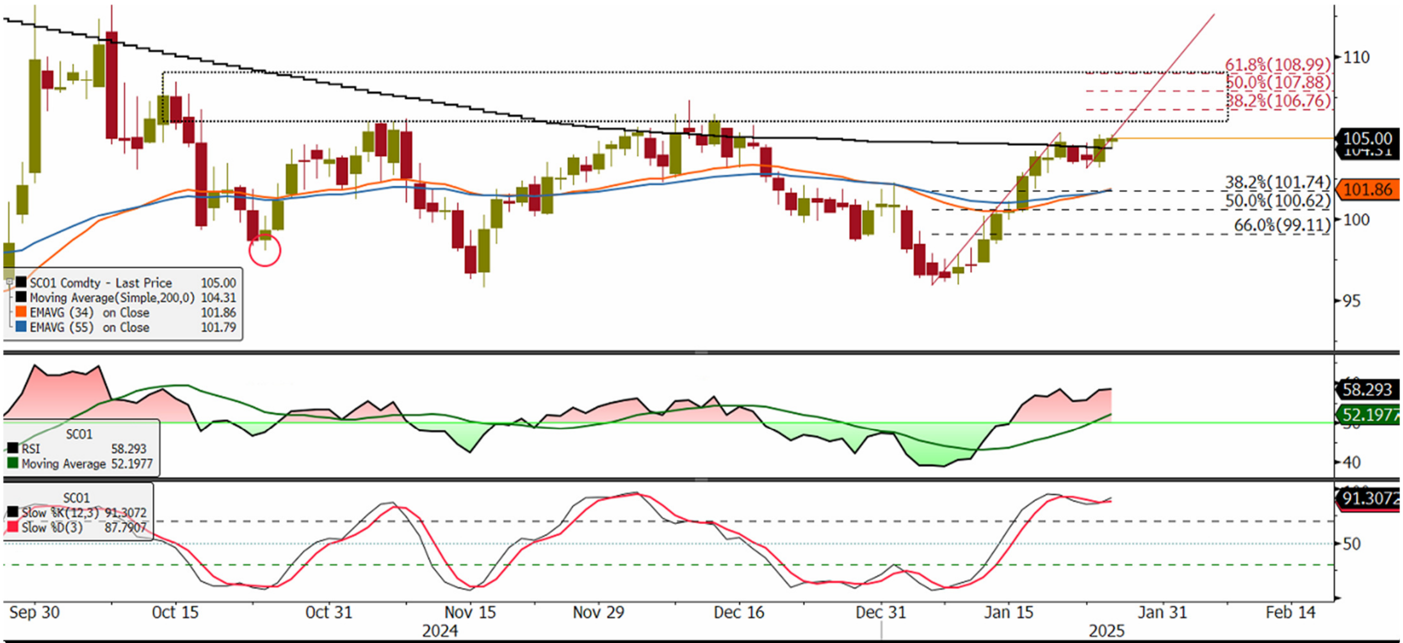
Iron Ore Feb 25 (rolling Front Month)



Support		Resistance		Current Price	Bull	Bear
S1	101.74	R1	106.76	105.00	RSI above 50	Stochastic overbought
S2	100.62	R2	107.88			
S3	99.11	R3	108.99			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55-period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Technically bullish last week, the MA on the RSI implied that momentum was supported. The futures were approaching the 200-period MA (USD 104.55) with a resistance zone above it, meaning we have a note of caution on upside moves at those levels. However, the RSI had broken resistance on the move higher with price trading above a key Fibonacci resistance, suggesting downside moves should be considered as countertrend in the near-term. A close below the low of the last dominant bull candle (USD 101.90), would indicate that sell side pressure is increasing (or buyside support had faded), warning the Fibonacci support zone could come under pressure.
- The futures traded to a high of USD 105.35 before consolidating above the USD 103.00 level for the remainder of the week. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above the USD 99.11 level will leave the futures vulnerable to further tests to the downside, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. Elliott wave analysis suggests that downside moves are still considered as countertrend at this point. If we trade above the USD 105.35 fractal resistance, then we have the potential to trade as high as USD 108.99 within this phase of the cycle. However, an upside breakout to a new high will create an intraday negative divergence with the RSI; not a sell signal it warns we could see a momentum slowdown, which will need to be monitored.