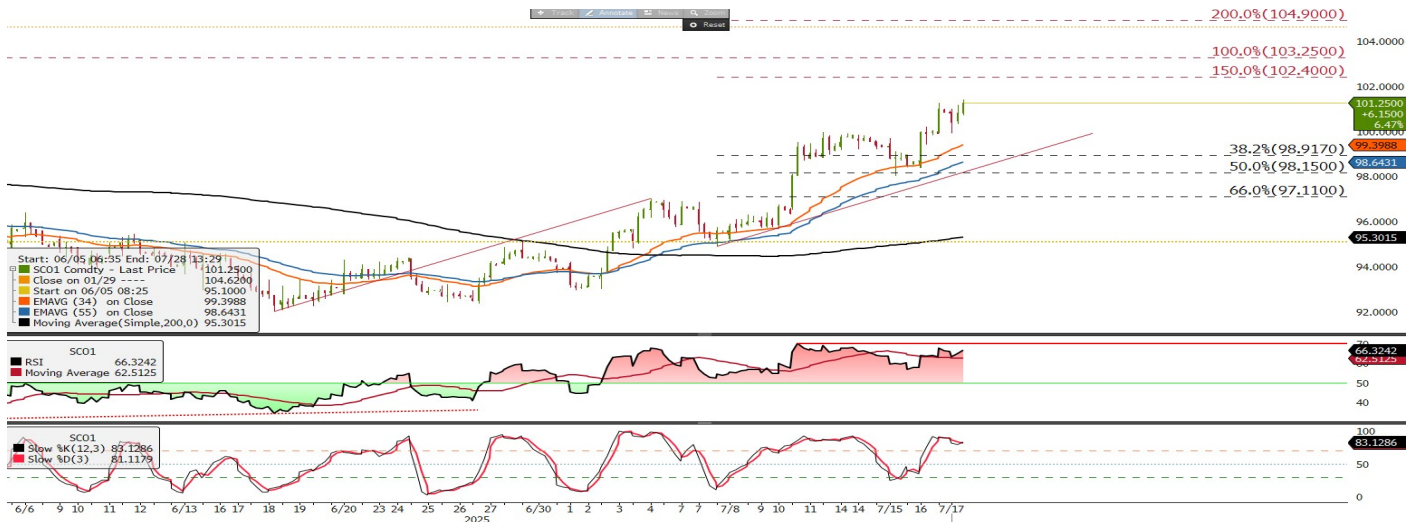


Iron Ore Offshore Aug 25 Morning Technical Comment—240 Min Chart Technical



Support		Resistance		Current Price	Bull	Bear
S1	101.27	R1	104.90	103.60	RSI above 50	Stochastic overbought
S2	101.01	R2	106.25			
S3	100.48	R3	107.40			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above daily pivot level USD 101.27
- Technically bullish on Thursday, Elliott wave analysis continued to suggest that downside moves should be considered as counter-trend, making USD 98.26 the key support to follow; if broken, then the probability of the futures trading to a new high would start to decrease. Price was still divergent with the RSI, which needed to be monitored; however, if we hold above the daily 200-period MA (USD 100.51), it would warn that the divergence could fail. Conversely, a close back below USD 100.51 on the daily timeframe would leave the futures vulnerable to a corrective countertrend move lower. We were a cautious bull whilst the divergence is in play, but noted that lower timeframe Elliott wave analysis warned that we could trade as high as USD 102.70 in within this phase of the lower timeframe cycle.
- Having initially traded to a high of USD 102.65 the futures corrected to the USD 100.40 level. However, bid support in the Asian day session today has resulted in price trading to a high of USD 104.80. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 101.27 with the RSI at or below 63.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 98.26 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies we have light momentum support. The pullback to USD 100.40 was not considered as deep enough to trigger the lower timeframe Elliott wave pullback, meaning downside moves should still be considered as counter-trend. If we close and hold back below the daily 200-period MA (USD 100.48) it will warn the USD 98.26 support could come under pressure. This is the key level on the technical, if broken, then the probability of the futures trading to a new high will start to decrease.