

Iron Ore Offshore Jan 26 Morning Technical Comment—240 Min Chart Technical



Support		Resistance		Current Price	Bull	Bear
S1	100.85	R1	102.24	101.80	Stochastic oversold	RSI below 50
S2	100.60	R2	102.34			
S3	99.55	R3	102.67			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below daily pivot level USD 102.34
- We were unchanged on the technical on Friday, we remained bullish with the MA on the RSI implying that momentum was supported. Price continued to hold above the 200-period MA (USD 104.02), warning the USD 105.01 resistance was vulnerable. If rejected, it would warn that there could be a larger corrective phase in play; if broken, it would further support a buyers argument. The technical was bullish but price remained at an inflection point. We noted that market bulls would want to keep price above the longer-term average; failure to do so would warn that buy-side pressure is easing.
- The futures rejected the USD 105.01 resistance resulting in price selling back below the 200-period MA (USD 103.89). As noted in the weekly report on Friday, the rejection warned that the USD 100.85 fractal low was vulnerable; however, we had a noted of caution on downside breakouts below this level. The futures have traded to a low of USD 100.85 but price is now seeing light bid support. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 102.80 with the RSI at or above 41 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 103.25 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies momentum is weak, whilst intraday Elliott wave analysis is warning we could be vulnerable to one more test to the downside. However, on the daily timeframe, we the 200-period MA at USD 100.94, whilst USD 101.19 is two standard deviations below the linear regression line. Below USD 100.85 the RSI will be divergent with the RSI, suggesting the W, X, Y pattern on the weekly report from Friday is potentially near completion. We are now cautious on downside moves, as the daily technical suggests that a move below USD 100.85 could struggle to hold.