

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



Support		Resistance		Current Price	Bull	Bear
S1	102.45	R1	103.25	102.70		RSI below 50
S2	101.73	R2	103.71			
S3	101.55	R3	104.50			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (47)
- Stochastic is above 50
- Price is above daily pivot level USD 101.55
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak, whilst intraday Elliott wave analysis warned we could be vulnerable to one more test to the downside. However, on the daily timeframe, we had the 200-period MA at USD 100.94, whilst USD 101.19 was two standard deviations below the linear regression line. We also noted that below USD 100.85 the RSI would be divergent with the RSI, suggesting the W, X, Y pattern on the weekly report from Friday was potentially near completion. We were cautious on downside moves, as the daily technical suggests that a move below USD 100.85 could struggle to hold.
- The futures have moved higher on the support and the divergence highlighted yesterday, resulting in the USD 103.25 resistance being breached. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 101.55 with the RSI at or below 41 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 101.73 will support a buyer's argument, if broken, the then technical will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of price trading to a new low has started to decrease. A close below the low of the high volume dominant bull candle (USD 101.75) will indicate sell side pressure is increasing; whilst below USD 101.73 will warn that the USD 100.85 fractal low could be tested and broken. With the support zone highlighted yesterday below us, alongside the breach in key resistance, we maintain a cautious view on downside moves.