

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



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|--------|------------|--------|---------------|--------------|------|
| S1 | 103.32 | R1 | 140.41 | 104.20 | RSI above 50 | |
| S2 | 103.18 | R2 | 105.00 | | | |
| S3 | 102.62 | R3 | 105.18 | | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below daily pivot level USD 104.41
- Technically bullish on the last report, the futures had traded up to but not above the USD 105.00 fractal high. We noted that if broken, then we had a potential upside target at USD 106.76 for this phase of the cycle; conversely, market buyers should be cautious below the USD 104.00 fractal support, as it would warn that sell side pressure is increasing. In theory, downside moves should be considered as countertrend whilst below the USD 105.00 level.
- The futures sold to a low of USD 103.85; however, we held above the intraday 200-period MA (USD 103.32), resulting in price finding light bid support. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 104.41 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 101.86 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we have light momentum weakness. However, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. Due to the deeper pullback, we now have a potential upside target at USD 106.26 for this phase of the cycle; if we trade below USD 101.86, then the probability of the futures trading to a new high will start to decrease.