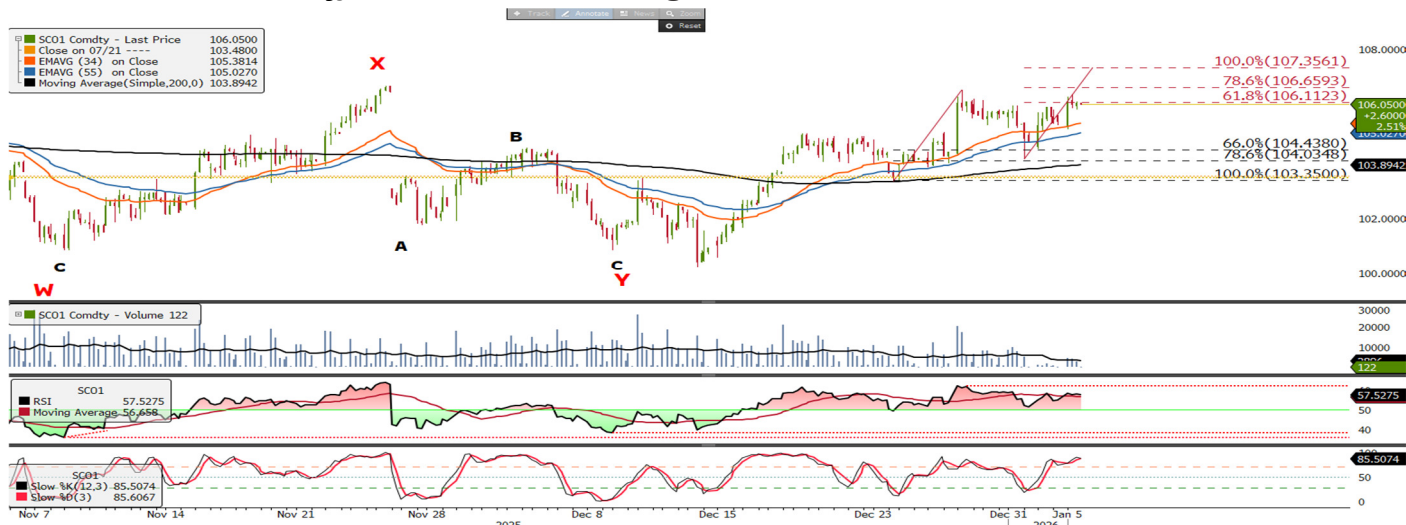


Iron Ore Offshore Jan 26 Morning Technical Comment—240 Min Chart



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|--------|------------|--------|---------------|--------------|-----------------------|
| S1 | 105.20 | R1 | 106.11 | 106.05 | RSI above 50 | Stochastic overbought |
| S2 | 104.43 | R2 | 106.65 | | | |
| S3 | 104.03 | R3 | 107.35 | | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below daily pivot level USD 105.20
- Technically bullish on the last report, the MA on the RSI implied that momentum was supported. The upside breakout had resulted in a lower timeframe bullish Elliott wave extension, meaning downside moves should in theory still be countertrend, making USD 104.41 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease.
- The futures sold below the 104.41 support; however, the move failed to hold, resulting in price entering back into bullish territory. 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 105.20 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 104.43 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the wave cycle is becoming unclear on the lower timeframe at this point, as it looks to be a short wave 3 on the extension. Upside moves above USD 106.55 will be in divergence with the RSI, meaning we have note of caution above this level.