

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



Support		Resistance		Current Price	Bull	Bear
S1	107.37	R1	108.58	108.05	RSI above 50	
S2	106.75	R2	109.37			
S3	105.90	R3	109.75			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is above 50 (54)
- Stochastic is below 50
- Price is below daily pivot level USD 108.58
- Technical Outlook - Cautious Bull. We noted yesterday that the intraday throwback continued to hold above the EMA support band, preserving near-term structure; however, the RSI moving average signaled that momentum was beginning to weaken. As noted previously, futures had already met the minimum requirement for lower-timeframe Elliott Wave completion for this phase of the cycle. That said, since Wave 3 can never be the shortest wave, our expectation remained for price to trade above USD 110.40. While we maintained a cautiously bullish stance, if the current cycle was indeed bullish impulse, then any downside price action should continued to be viewed as countertrend at this stage. On the downside, throwbacks that breached the USD 105.90 Fibonacci support would indicate technical weakness, warning the bullish Elliott wave cycle had a greater chance of failing.
- The futures have seen a small move lower with price between the EMA support band. The RSI is above 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 108.58 with the RSI at or above 62.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 105.90 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: **Neutral**. We have revised the outlook from cautious bull to neutral for three key reasons.

- 1) Although the minimum requirements for wave completion have been met, price has not traded above USD 109.40, which would be needed to confirm an Elliott Wave 5.
- 2) Price has also failed to break above USD 110.40, raising questions about the strength and nature of the bullish impulse. One possibility is that the higher-timeframe Wave 5 may be shorter than Wave 3, which would imply Wave 1 is the longest and effectively cap upside potential. While this structure would be unusual, it cannot be ruled out.
- 3) Alternatively, the current price action may still be forming a corrective flat Elliott Wave 4 on the lower timeframe. Lighter volume supports this interpretation.