

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

Support	Resistance	Current Price	Bull	Bear
S1 103.51	R1 105.70	103.60		RSI below 50
S2 102.40	R2 105.90			
S3 102.22	R3 107.20			

Synopsis - Intraday

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (40)
- Stochastic is below 50
- Price is above daily pivot level USD 103.51
- Technical Outlook: Bearish. The RSI sat just below momentum support within a broader bearish technical structure yesterday. The RSI low, combined with the Elliott wave corrective pattern, suggested that upside moves should be considered countertrend, making USD 107.22 the key resistance level to monitor. A sustained move above USD 107.22 would reduce the probability of price reaching new lows. Technically, with the RSI at 34 and just below the support zone, momentum continued to warrant caution on further downside in the near term.
- The futures sold to a low of USD 102.40, we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 103.51 with the RSI at or above 35.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 107.02 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Bearish.
- Having traded to a low of USD 102.40, futures are now finding light bid support, lifting the RSI back above its support zone. Elliott wave analysis, supported by the RSI making a new low, suggests that upside moves should be considered countertrend, making USD 107.02 the key resistance level to monitor. While price remains below this level, we remain cautious on higher moves. A break above USD 107.02 would signal increasing buy-side pressure, implying that the probability of price trading to a new low has been reduced. Near-term support has formed on lower volume, suggesting it is counter to the prevailing trend.

Chart source Bloomberg