

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

Support	Resistance	Current Price	Bull	Bear
S1	102.40	R1	104.34	
S2	102.22	R2	104.91	RSI below 50
S3	101.20	R3	105.07	

Synopsis - Intraday

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Price is below daily pivot level USD 104.34
- Technical Outlook Thursday: Bearish. Having traded to a low of USD 102.40, futures were finding light bid support, lifting the RSI back above its support zone. Elliott wave analysis, supported by the RSI making a new low, suggested that upside moves should be considered countertrend, making USD 107.02 the key resistance level to monitor. While price remained below this level, we remained 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 had been reduced. Near-term support had formed on lower volume, suggesting it was counter to the prevailing trend.
- The futures traded up to the intraday 200-period MA (USD 104.91) on Friday; however, the moves has failed to hold. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 104.34 with the RSI at or below 38 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. 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.
- The recent rally has rejected the intraday 200-period MA, while Elliott wave analysis suggest that upside moves should be considered as countertrend, making USD 107.02 the key resistance to follow. The MA rejection warns that the USD 102.40 fractal low is becoming vulnerable; however, at this point , the RSI moving average continues to imply we have momentum support. If price and momentum become aligned to the sell side, the odds of the USD 102.40 low being tested and broken will begin to increase. Conversely, a close that holds above the 200-period MA will imply intraday support, warning the USD 107.02 Fibonacci resistance could come under pressure. As highlighted previously, we continue to have a cautious approach on higher moves while below the USD 107.02 resistance.

Chart source Bloomberg