

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



Support		Resistance		Current Price	Bull	Bear
S1	103.33	R1	105.07	104.95	RSI above 50	
S2	102.22	R2	105.90			
S3	101.20	R3	107.02			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is below 50 (52)
- Stochastic is above 50
- Price is above daily pivot level USD 103.33
- Technical Outlook Wednesday: Cautious Bearish. With price and momentum aligned to the sell side the USD 102.40 fractal low was becoming vulnerable. However, we noted that the downside move was on low volume, implying a lack of sell side intensity, as below USD 102.40 the futures would be in divergence with the RSI. Not a buy signal it warned that we could see sell side momentum slow.
- The futures have seen bid support with price rising USD 2.00 on the back on local media outlets in China reporting that developers (or some of them) are no longer required by the regulator to submit a key set of metrics designed to rein in their debt buildup (Bloomberg). Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 103.33 with the RSI at or below 41 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: Neutral
- The upside move in the Asian day session has been on increased volume, driven by a broader rally in Chinese property shares. We had already been cautious on lower moves due to the reduced volume, while highlighting that price would be divergent with the RSI below 102.40. The upside move means that price is now trading on the intraday 200-period MA (USD 105.05); technically, we are at an inflection point. A close that holds above the average will bring the USD 107.02 resistance into focus, which if broken will further support a buyside argument. Conversely, a rejection of the average would suggest the initial move higher is a more reactionary move —risk off— rather than bullish. We take a neutral view today as there is currently a lack of clarity from a technical perspective.