

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

Support	Resistance	Current Price	Bull	Bear
S1	102.00	R1	103.15	
S2	101.27	R2	103.62	Stochastic oversold
S3	100.09	R3	104.25	RSI below 50

Synopsis - Intraday

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below daily pivot level USD 103.18
- Technical Outlook Thursday: Neutral. The upside move in the Asian day session had 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 meant that price was trading on the intraday 200-period MA (USD 105.05); technically, we are at an inflection point. A close that held above the average would bring the USD 107.02 resistance into focus, which if broken would further support a buyside argument. Conversely, a rejection of the average would suggest the initial move higher was a more reactionary move —risk off— rather than bullish. We took a neutral view as there was currently a lack of clarity from a technical perspective.
- The futures rejected the intraday 200-period MA, resulting in price selling to a new low. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 103.18 with the RSI at or above 48 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 104.25 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Cautious bear
- The move to a new low means that the futures are in divergence with the RSI, not a buy signal it is a warning that sell side momentum could slow down. Fibonacci projection levels suggest that we have a potential downside target at USD 101.27; however, USD 102.00 is the daily 200-period MA. With price on the daily average while in divergence on the intraday technical, we advise a cautious approach to lower moves at this point. For downside continuation, we will need to see a daily close that holds below the 200-period MA with the intraday divergence failing.

Chart source Bloomberg