

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



Support		Resistance		Current Price	Bull	Bear
S1	99.66	R1	100.49	99.75	Stochastic oversold	RSI below 50
S2	9.20	R2	101.00			
S3	98.13	R3	101.68			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is above daily pivot level USD 99.66
- Technical Outlook Thursday: Bearish. The break to the downside in the Asian day session signaled an Elliott wave extension on the lower timeframe. If correct, then Fibonacci extensions suggested that we should in theory test the USD 99.20 in the near-term, with intraday up-side moves considered as countertrend. On the buy-side, the RSI was testing an old support zone; however, this is countered by a weakening RSI moving average. Based on the lower timeframe Elliott wave analysis, USD 99.20 was the near-term minimum downside target.
- The futures sold to a low of USD 98.85 before finding light bid support. We remain below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 99.66 with the RSI at or above 38.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 101.68 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: bearish below USD 101.68.
- With price trading below the USD 99.20 Fibonacci support without producing a technical pullback, our Elliott wave analysis indicates that upside moves should be considered as countertrend, providing we remain below the USD 101.68 resistance. A move above USD 101.68 would be considered as deep into the last bear wave, warning that the probability of price trading to a new low would start to decrease. The RSI moving average implies that momentum remains weak; however, we are seeing supported price action. If price and momentum become aligned to the buyside, then resistance levels could come under pressure in the near-term.