

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

| Support | Resistance | Current Price | Bull | Bear |
|----------|------------|---------------|------|--------------|
| S1 99.20 | R1 100.29 | 99.95 | | RSI below 50 |
| S2 98.13 | R2 100.49 | | | |
| S3 97.22 | R3 101.00 | | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (39)
- Stochastic is above 50
- Price is below daily pivot level USD 100.29
- Technical Outlook Tuesday: bearish below USD 101.68. The futures continued to see light bid support having traded into the Fibonacci resistance zone after price and momentum become aligned to the buy side. Our Elliott wave analysis suggested that upside moves should be considered as counter trend, making USD 101.68 the key resistance to follow; if broken, then the probability of price trading to a new low would begin to decrease. Market buyers would need to be cautious if price and momentum become aligned to the sell side, as it would leave the USD 98.85 fractal low vulnerable.
- The futures are in the process of rejecting the EMA resistance bend with the RSI remaining below 50, intraday price and momentum are conflicting
- A close on the 4-hour candle below USD 100.29 with the RSI at or below 34.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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
- Price and momentum are conflicting, but price is rejecting the EMA resistance band while the stochastic has failed to move above 70, implying we are seeing signs of momentum weakness. Support is becoming vulnerable, from a technical perspective, we would like to see price and momentum become aligned to the sell side for confirmation that the USD 98.85 fractal low could be tested and broken. We highlight this, as counter trend moves do have a tendency to consist of 3-waves (impulse is 5 waves). Based on our Elliott wave analysis we remain cautious on upside moves, providing the futures do not breach the USD 101.68 resistance. If we do, then the probability of price trading to a new low will begin to decrease.