

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

Support	Resistance	Current Price	Bull	Bear
S1	98.32	R1	100.12	
S2	97.52	R2	100.49	
S3	96.72	R3	101.00	RSI below 50

**Synopsis - Intraday**

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (39)
- Stochastic is below 50
- Price is below daily pivot level USD 100.12
- Technical Outlook Wednesday: bearish below USD 101.68. Price and momentum were conflicting yesterday, but price was rejecting the EMA resistance band while the stochastic had failed to move above 70, implying we were seeing signs of momentum weakness. Support was becoming vulnerable; we noted that 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 highlighted this, as countertrend moves had tendency you consist of 3-waves (impulse is 5 waves). Based on our Elliott wave analysis we remained cautious on upside moves, providing the futures did not breach the USD 101.68 resistance. If we did, then the probability of price trading to a new low would begin to decrease.
- The futures had a second test and reject of the EMA resistance band. We are below all key moving averages with the RSI below 50, intraday price and momentum continues to conflict.
- A close on the 4-hour candle below USD 100.12 with the RSI at or below 37 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 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—awaiting confirmation
- Price and momentum continue to conflict, meaning we still need confirmation of momentum weakness; however, we have a second rejection of the EMA resistance band with the stochastic moving below 50, suggesting sell-side pressure at higher levels. Downside moves below USD 98.85 will have a potential downside target of USD 96.72; however, look for a potential divergence between price and the momentum indicators. If we have a divergence, it will warn that sell side momentum could slow down. We maintain our view that upside moves should be considered as countertrend while below USD 101.68, above this level the probability of price trading to a new low will begin to decrease.

Chart source Bloomberg