



# Iron Ore Offshore Intraday Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	96.72	R1	97.15	Stochastic oversold	RSI below 50
S2	95.59	R2			
S3	94.15	R3			

### Synopsis - Intraday

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below daily pivot level USD 99.84
- Technical Outlook Thursday: Bearish—awaiting confirmation. Price and momentum continued to conflict yesterday, meaning we still needed confirmation of momentum weakness; however, we had 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 would have a potential downside target of USD 96.72; however, look for a potential divergence between price and the momentum indicators. If we had a divergence, it would warn that sell side momentum could slow down. We maintained 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 would begin to decrease.
- The futures have sold to new lows, we are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle below USD 99.84 with the RSI at or above 42 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 99.62 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Bearish
- The futures are selling lower on elevated volume implying sell side pressure is intensifying. We are now in divergence with the RSI and stochastic; this is not a buy signal, it is a warning that we could see a momentum slowdown, and therefore needs to be monitored. Lower timeframe Elliott wave analysis indicates we have seen a bearish wave extension, meaning the divergences have a higher probability of failing. Upside moves are now considered as countertrend, providing we remain below the USD 9.62 resistance. Above this level the probability of price achieving a new low will begin to decrease.

Chart source Bloomberg

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