



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	97.44	R1	98.75	RSI above 50	Stochastic overbought	
S2	96.39	R2				100.35
S3	95.10	R3				102.03

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above daily pivot level USD 96.47
- Technical Outlook: Buyside pressure increasing, counter-trend move.
- We noted yesterday that the futures were moving higher on a positive divergence with volume support, indicating we were seeing an increase in buy-side pressure, warning resistance was becoming vulnerable. However, our Elliott wave analysis indicated that upside moves should be considered as countertrend, making USD 102.03 the key resistance level to follow. Above this level the probability of price trading to a new low would start to decrease.
- The futures consolidated in the Asian evening session, resulting in a small symmetrical triangle forming, this has broken to the upside in the day session. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 96.47 with the RSI at or below 40 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 102.30 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: countertrend move higher.
- The broader Elliott wave cycle remains bearish below USD 102.03 and neutral above. Near-term price action is supported, suggesting we could form into a 3-wave pattern higher (currently in wave 1); however, lower timeframe momentum indicators are currently overextended to the upside, implying price is becoming vulnerable to an intraday pullback in the very near-term. USD 102.03 is the key level on the technical, as above this level the probability of the futures trading to a new low will begin to decrease. Corrective moves that hold at or above USD 96.39 will support a near-term buyers argument (indicating a 3-wave pattern higher), while a move below this level will signal an increase in sell - side pressure, which will leave the USD 95.10 support vulnerable. We maintain our view that upside moves should be considered as countertrend at this point.

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