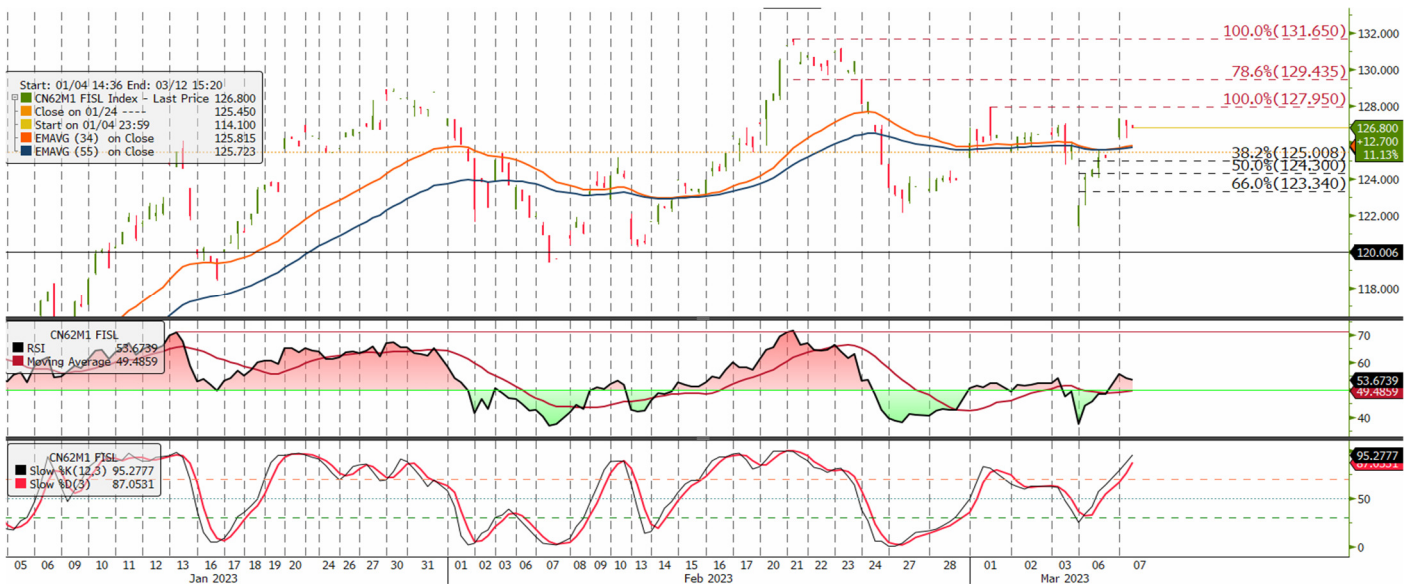




Iron Ore Offshore Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Iron Ore Offshore April 23 Morning Technical Comment – 240 Min Chart



Support	Resistance	Current Price	Bull	Bear
S1	125.00	R1	127.95	RSI above 50 Stochastic overbought
S2	124.30	R2	128.13	
S3	124.01	R3	129.43	
		126.80		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above daily pivot point USD 124.01
- Technically bullish with a neutral bias yesterday; having gapped lower on the open the futures moved higher on the back of a positive divergence with the RSI, suggesting we could be trying to close the bearish gap, making USD 124.75 the near-term upside target. If broken, we targeted our key resistance and the daily pivot point at USD 125.68 – USD 125.86. If the USD 124.75 level held, then the USD 121.30 low from the open would be vulnerable. The RSI was below 50 with its MA starting to point lower, implying buy-side momentum remained weak. The futures moved higher and closed the bearish gap, resulting in further upside moves in the Asian day session. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 124.01 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 123.34 will support a near-term bull argument, below this level we target the USD 121.30 fractal support.
- Having moved higher on the positive divergence and closed the bearish gap, resistance levels are now vulnerable. The technical remains bullish with a neutral bias; however, the flat and compressed EMA support band would imply a lack of direction bias on the intraday (this is the reason the averages are not being respected), supporting a more neutral market at this point. Upside moves above USD 127.95 will in theory warn that the USD 131.27 and 131.65 could be tested; however, we highlight 128.13 as a key Fibonacci level that will need to be broken. We remain cautious on this upside move, although there are signals to suggest we move higher, we need to see more from the technical to convince that this move is bullish impulse.

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