



# Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	128.21	R1	128.55	RSI above 50	Stochastic overbought
S2	127.65	R2			
S3	126.75	R3			

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above daily pivot point USD 126.21
- Technically bullish with a neutral bias yesterday, upside moves above USD 127.95 would warn that resistance levels were vulnerable. Although the technical had a neutral bias, we noted that the futures were finding support on the daily EMA band. The futures did move higher with price breaking the USD 127.95 and USD 128.13 resistance levels resulting in price trading to a high of USD 130.55 on the Asian open. The futures spent most of the session consolidating around the highs, before news agencies reported that regulators would take measures to curb the unreasonable rise in iron ore prices. Going into the close the futures sold to a low of USD 127.05 before bouncing USD 1.50. Price remains above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 128.21 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 126.75 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, upside moves above USD 131.65 will create a negative divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown, suggesting caution on upside breakouts. If the divergence doesn't get you, then the regulators might, as there is a high probability they could step in to curb price. Just an observation, the unreasonably high prices in Iron ore look to be less than 4% above the 3-year average values on the DCE rolling active contract. We are 20% above the 5-year average values, but the world has changed in that period, significantly.

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