



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 | 116.38 | 118.05 | Stochastic oversold | RSI below 50 |
| S2 | 114.73 | | | |
| S3 | 113.07 | | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below daily pivot point USD 120.66
- Technically bearish yesterday with the MA on the RSI remaining weak, suggesting upside moves should be considered as countertrend. we highlighted that the futures were USD 6.00 below the 34-period EMA, warning we were potentially a little overextended to the downside, leaving the futures vulnerable to a countertrend move higher. The futures moved USD 1.70 higher in the afternoon, before selling lower in the Asian day session. Price is 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 above USD 120.66 with the RSI at or above 37 will mean price and momentum are aligned to the buy side. A revision higher on the Fibonacci levels a price is now in divergence, warning this phase of the bear cycle (wave A) could potentially be nearing completion. Upside moves that fail at or below USD 127.68 will leave the futures vulnerable to further tests to the downside, above this level the longer-term technical will have a neutral bias.
- Technically bearish, the mean reversion gap with the 34-period EMA is back above USD 6.00 (nearly USD 7.00), the downside move this morning means we have a positive divergence with the RSI in play. Not a buy signal, it does warn that we have the potential to see a momentum slowdown and will need to be monitored. Intraday wave analysis would suggest we have a downside target between USD 116.38 – USD 113.07 for this phase of the cycle, we maintain our view that upside moves should be considered as countertrend. bearish, but a note of caution due to the divergence.

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