



Iron Ore Offshore Intraday Morning Technical

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



Support	Resistance	Current Price	Bull	Bear
S1	116.88	R1	119.80	RSI below 50
S2	115.35	R2	121.17	
S3	112.10	R3	123.03	

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 34-55 period EMA's
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above daily pivot point USD 116.88
- Technically bearish last week. We were a cautious bear as the futures were in divergence with the RSI, warning we had the potential to see a momentum slowdown with the futures looking like they could turn higher. The futures consolidated over the holiday but have moved higher this morning. Price is between the EMA resistance band with the RSI near neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 116.88 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 123.03 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures are moving higher on the back of a positive divergence with a 3-wave pattern lower on the daily technical. This could be an A, B, C corrective completion, warning of higher pricing; however, it could also be wave 1 of wave C completing, meaning the move higher is countertrend. The technical is not clear, making USD 123.03 a key level to follow, if rejected and followed by a move to new lows it will have bearish implications going forward, as it means we will be seeing a higher timeframe 5 wave pattern lower.
- We are currently a cautious bear; when we look at the daily technical this looks like a shallow correction, suggesting that there will be further downside in the technical; however, we need to see resistance levels be rejected and a new low for confirmation. Upside moves above USD 127.00 will be bullish, suggesting the USD 132.85 fractal high could be tested and broken.

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