



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	101.57	R1	103.50	Stochastic oversold	RSI below 50
S2	100.19	R2			
S3	95.70	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (21)
- Stochastic is oversold
- Price is below daily pivot point USD 109.06
- Having previously been cautious on downside breakouts due to a positive divergence, the futures have moved lower with the divergence failing. As noted on the Friday's technical report the divergence failure means we are seeing a wave C extension. 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 110.23 with the RSI at or above 31.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 113.62 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we do have divergences on the lower timeframe RSI, alongside a USD 9.00 mean reversion gap with the 34-period EMA, warning we have the potential to see a momentum slowdown. However, with the wave C extending, upside moves should now be considered as countertrend. The MA on the RSI remains weak, suggesting resistance levels should hold in the near-term if tested. A close on the 4-hour candle above USD 105.85 would imply that momentum based on price is starting to strengthen, suggesting the Fibonacci resistance zone could be tested.

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