



Iron Ore Offshore Intraday Morning Technical

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

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



	Support	Resistance	Current Price	Bull	Bear
S1	100.18	R1	102.80	Stochastic oversold	RSI below 50
S2	98.21	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 105.15
- Technically bearish yesterday, we had a divergence on the lower timeframe RSI, alongside a USD 9.00 mean reversion gap with the 34-period EMA, warning we had 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 remained 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. The futures moved sideways for the session (rallied USD 1.15) with price now testing the lows again. Price is below the 34-55 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 105.15 with the RSI at or above 25.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 113.47 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with the gap between the MA and price around USD 7.00 at this point. Downside moves below USD 102.35 will create a positive divergence on the 4-hour chart (we remain in divergence on the 1-hour). Not a buy signal it is warning we have the potential to see a momentum slowdown. The wave 3 looks like it will be an extension, meaning we maintain our view that upside moves should be considered as countertrend. A cautious bear at these levels due to the dual divergence and the mean reversion gap with the 34-period EMA.

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