



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	103.06	R1	105.00		RSI below 50
S2	100.18	R2			
S3	98.21	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (40)
- Stochastic is at 50
- Price is above daily pivot point USD 103.06
- We remained technically bearish yesterday with the gap between the MA and price around USD 7.00 (mean reversion gap). Downside moves below USD 102.35 would 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 had 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. The futures traded to a low of USD 99.90 before finding buy support in the Asian day session, resulting in price moving USD 5.00 higher. Price is below the EMA resistance band with the TSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 103.06 with the RSI at or below 23 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.
- Technically bearish with price and momentum aligned to the buyside, intraday Elliott wave analysis would suggest we remain in a wave 3 extension, implying upside moves should be considered as countertrend. The MA on the RSI has turned higher, warning near-term momentum is supported at this point, making USD 113.47 the key resistance level to follow. We no longer have a mean reversion gap with the averages.

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