



Iron Ore Offshore Intraday Morning Technical

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

Iron Ore Offshore April 24 Morning Technical Comment – 240 Min Chart



	Support	Resistance	Current Price	Bull	Bear
S1	111.95	R1	115.60		
S2	109.45	R2	119.46		RSI below 50
S3	107.33	R3	121.78		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34-55 period EMA's
- RSI is below 50 (41)
- Stochastic is above 50
- Price is below/on the daily pivot point USD 114.50
- Technically bearish yesterday, the futures had traded to a new low, resulting in price moving higher on a positive divergence. However, this had created a wave extension, meaning upside moves should still be considered as countertrend, making USD 124.92 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. Due to the divergence, we were cautious on downside moves. The futures have rejected the EMA resistance band during the Asian day session resulting in a small move lower, the RSI is below 50 with price and momentum now conflicting.
- A close on the 4-hour candle below USD 114.50 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 43 will mean it is aligned to the buy side. Upside moves that fail at or below USD 124.92 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain cautious on downside moves as this is likely to create further positive divergences with the RSI. Not a buy signal, it is a warning we could see a momentum slowdown, which will need to be monitored. However, as noted yesterday, we have seen the current Elliott wave cycle extend lower, meaning upside moves look like they will be countertrend in the near-term.

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