



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	99.63	R1	106.10	Stochastic oversold	RSI below 50
S2	94.65	R2	108.26		
S3	88.37	R3	112.60		

Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 106.10
- We noted yesterday that the technical could be about to get very complex yesterday, as the path was becoming unclear. In theory, we had an A – B corrective move, followed by a five-wave pattern lower, this was C (This cycle is highlighted in red on the chart). This suggested that the technical was nearing exhaustion point, meaning the corrective phase (bear) could soon be over, suggesting market bears should be cautious. However, we highlighted an alternative much larger cycle in black, that could come into play if an upside move failed to trade above the USD 125.46 level and was then followed by the futures trading to a new low. If this happened, then what we had seen so far could be part of a much larger timeframe wave A. We were not suggesting this could happen, but it was a possibility that we wanted to highlight now, rather than later. The reason we were highlighting it was because aggregate open interest had been increasing since 08/02/24, implying the market had built and continues to build a short position. In the very near-term, we were still vulnerable to a small move lower, but we were in divergence on multiple time frames with the futures nearing an exhaustion point, meaning we are cautious on downside moves at these levels. It was highlighted to me yesterday that although the aggregate OI was short, the May apparently has seen an OI build. The futures have seen a small move lower, meaning we remain 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 106.10 with the RSI at or above 35.5 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 112.60 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 in a bearish trending environment; however, due to the lower timeframe RSI being in divergence, we maintain a cautious view on downside moves at these levels.

Chart source Bloomberg