



Iron Ore Offshore Intraday Morning Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	110.50	R1	119.45	RSI above 50	
S2	108.19	R2	127.15		
S3	105.75	R3	133.21		

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (66)
- Stochastic is above 50
- Price is above the daily pivot point USD 110.50
- Technically bullish yesterday, the futures were in a corrective phase having rejected the daily 55-period EMA whilst in divergence. The MA on the RSI was now flat, implying momentum was neutral. A close on the daily candle below the weekly pivot level (USD 106.52) would warn that sell side pressure was increasing, suggesting the USD 101.43 support could come under pressure. If the USD 101.43 level held, it would imply that there was potentially a larger, bullish, Elliott wave cycle in play. Likewise, if broken, then the probability of the futures trading to a new high would start to decrease, warning the USD 95.40 fractal low could be tested. Based on lower timeframe Elliott wave analysis, we look to have had a 5-wave pattern higher, warning support levels were vulnerable in the near-term. We were wrong on this move yesterday, as the futures have moved higher, creating a wave extension within the existing cycle. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 110.50 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 127.15 will warn that there is potentially a larger, bearish Elliott wave cycle in play. Likewise, downside moves that hold at or above USD 102.44 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the Elliott wave cycle has extended to the upside, meaning we have the potential to trade to a high of USD 119.57 within this phase of the cycle. We should note, that if we stay elevated for long enough it will increase the candle size, meaning we could be vulnerable to further wave extensions, as this will affect the lower timeframe oscillators. The Ma on the RSI is flat, but the RSI is making new highs, warning that intraday downside moves have the potential to be countertrend in the near-term.

Chart source Bloomberg

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