



# 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	111.57	R1	116.03	RSI above 50	Stochastic oversold
S2	109.06	R2	117.50		
S3	106.45	R3	119.45		

### Synopsis - Intraday

- Price is below the 34-55 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Price is above the daily pivot point USD 116.03
- Technically bullish with price in consolidation yesterday. We noted that a move above USD 117.50 would create a negative divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown, implying caution on upside breakouts. A close on the daily candle below USD 114.15 would warn that sell side pressure is increasing, meaning support levels could come under pressure. If we traded below USD 111.57 it would suggest that the probability of the futures trading to a new high within this phase of the cycle would start to decrease. However, corrective moves lower that held at or above USD 102.91 would indicate that there was potentially a larger bullish Elliott wave cycle in play. A cautious bull, from a technical perspective, this would be a high-risk entry point from the buyside. The futures have sold lower with price now on/ below the 55-period EMA, the RSI is above 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 116.03 with the RSI at or above 63.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 111.57 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving lower on the existing divergence that was in play. We are now trading below the weekly pivot level (USD 114.15), if we close on the daily candle below this level it will warn that sell side pressure is increasing. The MA on the RSI is warning that momentum is weakening, the RSI now has broken support, warning resistance levels should in theory hold if tested in the near-term. We are still above the USD 111.57 support, this is now starting to look vulnerable, if broken, then the probability of the futures trading to a new high will start to decrease, meaning the USD 108.60 fractal support could then be tested and broken.

Chart source Bloomberg