



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	113.83	R1	117.90	RSI above 50	Stochastic overbought	
S2	112.03	R2				125.96
S3	109.06	R3				127.15

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 113.83
- Technically bullish yesterday, the futures were moving lower on the existing divergence that was in play. We were trading below the weekly pivot level (USD 114.15), if we closed on the daily candle below this level, it would warn that sell side pressure was increasing. The MA on the RSI warned that momentum was weakening, the RSI had broken support, warning resistance levels should in theory hold if tested in the near-term. We were still above the USD 111.57 support, this was now starting to look vulnerable, if broken, then the probability of the futures trading to a new high would start to decrease, meaning the USD 108.60 fractal support could then be tested and broken. The futures held above the USD 111.57 support resulting in the futures trading to a new high. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 113.83 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 112.03 will support a bull argument, below this level the technical will have a neutral bias.
- The upside move in the futures has created an Elliott wave extension, meaning we have the potential to trade as high as USD 125.96 within this phase of the cycle; however, the new high has created another negative divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown which will need to be monitored. If we close the session back above the weekly pivot level (USD 114.15) it will warn that we could move higher in the near-term. However, due to the divergence, the technical suggests caution on upside moves at this point, as they could struggle to hold.

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