



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 | 116.27 | R1 | 118.50 | RSI above 50 | |
| S2 | 112.53 | R2 | 119.45 | | |
| S3 | 109.06 | R3 | 125.96 | | |

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (50)
- Stochastic is oversold
- Price is below the daily pivot point USD 118.50
- Technically bullish yesterday, the futures had traded to a new high (USD 120.15); however, the RSI is not replicating the highs, meaning we remained in divergence with the RSI. Not a sell signal, it was a warning that we could see a momentum slow-down which needed to be monitored. Our intraday Elliott wave analysis suggested that we had the potential to trade as high as USD 125.96 within this phase of the cycle; However, we remained cautious on upside moves due to the divergence in play, as it implied that upside moves could struggle to hold. If we traded below the USD 112.53 level, then the probability of the futures trading to a new high within this phase of the cycle would start to decrease. We were a cautious bull. Having sold to a low of USD 115.95 the futures have found support on the EMA band; the RSI is above 50 but intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 118.50 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 112.53 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish having moved lower on the negative divergence yesterday. The MA on the RSI is now flat, implying momentum is neutral; however, the RSI is above 50 with the stochastic in oversold territory, warning we still have the potential for another test to the upside. As noted yesterday, our intraday Elliott wave cycle would suggest we have the potential to trade as high as USD 125.96 within this phase of the cycle; however, we continue to have a note of caution on upside moves, due to the divergence that is in play. If we do trade below the USD 112.53 level, then the probability of the futures trading to a new high within this phase of the cycle will start to decrease. We remain a cautious bull.

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