



# 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	R1	117.60	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is above the 34-55 period EMA's
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 115.20
- Technically bullish yesterday. We noted that we had seen the futures close below the weekly pivot level previously (USD 116.77), implying sell side pressure is increasing. However, there has been no follow-through with price moving sideways again. The MA on the RSI was indicating that momentum remained weak, if the RSI rejected the average, it would warn we could see another move lower. Likewise, if the RSI started to move back above the average and price closed above the daily pivot level, then market sellers should act with caution, as buyside pressure would be seen to be increasing due to the RSI being above 50 whilst the stochastic in oversold territory. Elliott wave analysis continued to have a potential upside target at USD 125.96 with key support unchanged at USD 112.53. We maintained a cautious view on upside moves due to the divergence in play.
- The futures remained on consolidation into the Asian close; however, we are moving higher this morning with the RSI moving above its MA. Price is 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 115.20 with the RSI at or below 50 will mean price and momentum are aligned to the sell 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.
- Technically bullish, the futures have rolled to the buyside with the MA on the RSI now flat, confirming sell side momentum has slowed. We are above the weekly pivot level (USD 116.77), a close above this level will imply buyside pressure is increasing, warning resistance levels could be tested and broken. We maintain a potential upside target at USD 125.96 based on our intraday Elliott wave analysis; however, above USD 120.15 the futures will create further divergences with the RSI. Not a sell signal, they are a warning that buyside momentum could slow which will need to be monitored. Buyside pressure has increased, the technical is warning that we should move higher in the near-term.

Chart source Bloomberg

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