



Iron Ore Offshore Intraday Technical

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Iron Ore Offshore May 25 Morning Technical Comment—240 Min Chart Technical



	Support	Resistance	Current Price	Bull	Bear
S1	98.85	R1	102.13	Stochastic oversold	RSI below 50
S2	97.69	R2	104.07		
S3	95.94	R3	104.90		

Synopsis - Intraday

- Price is below the 34 - 55 period
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot level (USD 102.13)
- We noted that the longer term Elliott wave cycle remained in bearish territory below USD 105.75 on Thursday, above this level would be considered as neutral. However, near-term price action was bullish having held the EMA support band and the 200—period MA (USD 102.82). The futures were now approaching a resistance zone between USD 104.15—USD 104.90; a close above the resistance area would warn that the USD 105.75 level could be tested and broken. Likewise, a close below the 200-period MA would imply buyside pressure was decreasing, whilst a move below USD 101.15 would indicate sell side pressure was increasing. Price was supported; however, we were approaching a significant resistance zone (highlighted on chart), if rejected support levels would become vulnerable.
- The futures rejected the polarity resistance, resulting in price selling back below the 200-period MA (USD 102.54). We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 102.13 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 105.75 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is weak at this point. The rejection of the polarity resistance is warning the USD 99.05—USD 98.85 fractal support zone is vulnerable. We maintain a note of caution on moves higher.

Chart source Bloomberg