



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	93.70	R1	94.80	Stochastic oversold	RSI below 50
S2	90.88	R2			
S3	88.47	R3			

Synopsis - Intraday

- Price is below the 34 - 55 period
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot level USD 95.93
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak. Higher timeframe Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 100.22 the key resistance to follow. Above this level the probability of price trading to a new low would start to decrease. We were now in divergence on the 1-and-2-hour timeframe, warning we could see a momentum slowdown, meaning we have a note of caution on moves lower at these levels.
- The futures broke to the downside with price trading to a low of USD 91.70; however, the we failed to hold resulting in a USD 3.00 move higher. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 95.93 with the RSI at or below 30.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below 99.32 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the 2-hour divergence failed on the move lower; however, the 1-hour RSI held support. The MA on the RSI does imply that momentum is weak, but, the RSI is above its average, warning momentum could be transitioning to the buyside. As noted previously, out Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 99.32 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. We are moving higher on the 1-hour divergence, warning resistance levels could come under pressure in the near-term.

Chart source Bloomberg