

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



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|------|
| S1 | R1 | 98.25 | | |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is at 50 (50)
- Stochastic is below 50
- Price is on the daily pivot level USD 98.25
- Technically bearish yesterday, the MA on the RSI continued to imply that momentum remained supported, warning the USD 99.32 resistance could be tested and broken. If it was, then the probability of the futures trading to a new low would start to decrease. The consolidation breakout to the upside did support a near-term bull argument; if price and momentum become aligned to the sell side, it would warn of intraday weakness. However, for downside continuation, the futures would need to see a daily close below the weekly pivot level (USD 96.12). We noted that key support was starting to look increasingly vulnerable.
- The futures failed to hold the consolidation breakout, resulting in price seeing a small move lower. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 98.25 with the RSI at or above 52 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 47.5 will mean it is aligned to the sell side. 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 with our Elliott wave analysis suggesting upside moves should be considered as countertrend, making USD 99.32 the key resistance to follow. If broken, then the probability of price trading to a new low will start to decrease. With price back in the consolidation zone, near-term price action is considered as neutral.

Chart source Bloomberg