

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



| Support | Resistance | Current Price | Bull         | Bear                  |
|---------|------------|---------------|--------------|-----------------------|
| S1      | R1         | 99.60         | RSI above 50 | Stochastic overbought |
| S2      | R2         |               |              |                       |
| S3      | R3         |               |              |                       |

### Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (53)
- Stochastic is above 50
- Price below daily pivot level USD 99.61
- Technically bearish with a neutral bias yesterday, the MA on the RSI implies momentum was supported. We noted that the upside moves was not supporting a bullish impulse move in terms of Elliott wave; however, considering the outside influences, this is to be expected. Price was now above the intraday 200-period MA, if we held above it, then we would target the daily 200-period MA (USD 101.25). This is the benchmark average on the higher timeframe, a close above that held above it would suggest the USD 103.25 fractal high would be tested and broken. Conversely, a close below USD 99.81 would warn that the weekly pivot support at USD 97.77 could come under pressure. I was neutral, as the upside moves has been higher than expected.
- The futures consolidated yesterday before selling lower in the Asian day session. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 99.61 with the RSI at or above 51 would mean price and momentum were aligned to the buyside. Downside moves that hold at or above USD 94.73 would support a bull argument, below this level the technical would be back in bearish territory.
- Technically bearish with a neutral bias, the futures have rejected a support area from late March, resulting in price closing back below the intraday 200-period MA (USD 99.70). If we remain below the average, then the weekly pivot level at USD 97.77 will become vulnerable; conversely, a close back above the average will target the USD 100.60 fractal high from yesterday. The upside rejection yesterday has created a polarity resistance level, meaning we are caution on moves higher in the near-term whilst below the USD 100.60 level.

Chart source Bloomberg