

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



Support		Resistance		Current Price	Bull	Bear
S1	97.20	R1	100.45	98.55		RSI below 50
S2	96.15	R2	100.77			
S3	94.72	R3	101.51			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (49)
- Stochastic is below 50
- Price below daily pivot level USD 98,69
- Technically bearish with a neutral bias on Friday, the futures had rejected a support area from late March, resulting in price closing back below the intraday 200-period MA (USD 99,70). We noted that if we remain below the average, then the weekly pivot level at USD 97.77 would become vulnerable; conversely, a close back above the average would target the USD 100.60 fractal. The upside rejection previously has created a polarity resistance level, meaning we were caution on moves higher in the near-term whilst below the USD 100.60 level.
- The futures traded to a low of USD 97.35 before finding light bid support. We are below the EMA support band with the RSI near-neutral at 49, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 98.69 with the RSI at or above 53 would mean price and momentum were aligned to the buy-side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 94.72 would support a bull argument, below this level the technical would be back in bearish territory.
- Bearish with a neutral bias, the MA on the RSI implies that momentum is weak. We remain below the 200-period MA (USD 99.47) having rejected polarity resistance, meaning we remain cautious on moves higher. If we trade below the USD 96.85 fractal low, then the daily futures will have broken fractal support, meaning the daily chart will be technically bearish, warning the USD 94.72 Fibonacci support could be tested and broken. If it is, then the Elliott wave cycle will be back in bearish territory.