

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



	Support	Resistance	Current Price	Bull	Bear
S1	98.19	R1	98.90		RSI below 50
S2	97.20	R2	100.45		
S3	96.15	R3	100.77		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (49)
- Stochastic is overbought
- Price above daily pivot level USD 98.19
- Bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was weak. We remained below the 200-period MA (USD 99.47) having rejected polarity resistance, meaning we were cautious on moves higher. If we traded below the USD 96.85 fractal low, then the daily futures would have broken fractal support, meaning the daily chart would be technically bearish, warning the USD 94.72 Fibonacci support could be tested or broken. If it was, then the Elliott wave cycle would also be back in bearish territory.
- The futures are consolidating below the EMA resistance band with price moving only 10 cents away from yesterday mornings price. The RSI is near neutral at 49 whilst price and momentum are conflicting.
- A close on the 4-hour candle above USD 98.19 with the RSI at or above 51.5 will 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 will support a bull argument, below this level the technical would be back in bearish territory.
- Technically bearish with a neutral bias, the MA on the RSI implies that momentum remains weak. We do have a very small ascending triangle pattern that warns of bull support; however, the pattern is not really in context with the trend, having appeared after a pullback, suggesting it may not be a reliable pattern to follow. Price is consolidating on light volume, if we trade above and close above the USD 98.80 fractal resistance on high volume, it will warn that the polarity resistance at USD 100.60 could come under pressure. Conversely, if we close below and hold below the minor trend support (currently USD 98.03), then the Fibonacci support zone could come under pressure. Note: a downside breakout will not need volume support, as the weight of the futures will be considered enough. Due to the upside rejection, alongside price being below the intraday 200-period MA (USD 99.41), we continue to have a note of caution on upside moves at this point.