



Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



	Support		Resistance	Current Price	Bull	Bear
S1	97.20	R1	98.40	97.60	Stochastic oversold	RSI below 50
S2	96.15	R2	99.34			
S3	64.72	R3	100.45			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- Price below daily pivot level USD 98.40
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum remained weak. We did have a very small ascending triangle pattern that warned of bull support; however, we noted that the pattern was not really in context with the trend, having appeared after a pullback, suggesting it may not be a reliable pattern to follow. Price was consolidating on light volume, if we traded above and closed above the USD 98,80 fractal resistance on high volume, it would warn that the polarity resistance at USD 100.60 could come under pressure. Conversely, if we closed below and held below the minor trend support (currently USD 98.03), then the Fibonacci support zone could come under pressure. We noted that a downside breakout would not need volume support, as the weight of the futures would be considered enough. Due to the upside rejection, alongside price being below the intraday 200-period MA (USD 99.41), we continued to have a note of caution on upside moves at this point.
- The futures broke the ascending triangle pattern to the downside, on higher volume (not needed but does add extra weight to the breakout). We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 98.40 with the RSI at or above 50.5 will mean price and momentum were aligned to the buy side. Downside moves that hold at or above USD 94.72 will support a bull argument, below this level the Elliott wave cycle will be back in bearish territory.
- Technically bearish, the downside breakout on rising volume is warning that sell side intensity is slowly increasing, implying the Fibonacci support zone is becoming vulnerable, meaning we remain cautious on moves higher at this point. If we do close above and hold above the 200-period MA (USD 99.34), it will indicate that buy side pressure is increasing. Likewise, a move below the USD 98.65 will mean that the daily technical is bearish.

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