



Iron Ore Offshore Intraday Technical

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Iron Ore Offshore April 26 Morning Technical Comment—240 Min Chart



	Support	Resistance	Current Price	Bull	Bear
S1	99.50	R1	100.19	RSI above 50	Stochastic overbought
S2	98.40	R2	100.35		
S3	97.40	R3	101.93		

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above daily pivot level USD 98.40
- Technical Outlook Wednesday: Consolidating—upside moves considered countertrend
- Near-term price action is neutral yesterday due to the consolidation zone between USD 99.50—USD 97.40, meaning directional bias would come from a close and hold outside of the box. However, our Elliott wave analysis suggests that upside moves should be considered as countertrend, while we have the intraday and daily 200-period MA's between USD 100.37—USD 101.91 respectively, meaning we were more cautious on upside breakouts. However, this consolidation was forming on elevated volume, indicating a breakout could be very reactionary, as new position builds that are the wrong side would be looking for a quick exit.
- The futures broke to the upside yesterday with price spiking to a high of USD 101.20 on the news on Bloomberg that ' Beijing Vows Measures to Support Steel Sector'. However, the futures did sell back below USD 100 quickly. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 98.40 with the RSI at or below 53 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 102.30 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Cautious bull—watch for potential polarity support
- The break to the upside has resulted in a high volume bearish rejection candle; however, price is holding above the consolidation zone from yesterday at this point. If we hold, we have sellers above us, but also a change in polarity, warning we could see another test to the upside. At this point we remain below the intraday 200-period MA at USD 100.19 and the daily 200 MA at USD 101.93. Our Elliott wave does suggest that upside moves should be countertrend, making USD 102.03 the key resistance on the technical. If broken, then the probability of price trading to a new low would begin to decrease. Technically, we are still cautious on higher moves; however, China's comments on supporting the steel industry could change the psychological footprint of the market (Elliott wave), the creation of polarity support could be the first sign of technical change.

Chart source Bloomberg

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