



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	101.01	R1	103.35	RSI above 50	Stochastic overbought
S2	100.53	R2	105.60		
S3	99.50	R3	108.43		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (77)
- Stochastic is overbought
- Price is above daily pivot level USD 101.01
- Technical Outlook Thursday: Cautious bull—watch for potential polarity support
- We noted previously that the break to the upside had resulted in a high volume bearish rejection candle; however, price was holding above the consolidation area from the previous day. If we held, we had sellers above us, but also a change in polarity, warning we could see another test to the upside. At that point we remained below the intraday 200-period MA at USD 100.19 and the daily 200 MA at USD 101.93. Our Elliott wave did 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 were 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 would be the first sign of technical change.
- The futures held polarity support with price trading up to the daily 200-period MA at USD 101.96 on Friday, meaning we were at an inflection point. An upside move in the Asian day session means we are currently above the average, price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 101.01 with the RSI at or below 64 would mean price and momentum are aligned to the sell side. Upside Downside moves that hold at or above USD 98.09 will support a near-term bull argument, below this level the technical will re-enter bearish territory.
- Technical Outlook: Buyside momentum increasing.
- The upside move above USD 102.03 means that the probability of the futures trading to a new low has started to decrease. Likewise, the RSI moving average implies that momentum is supported at this point. Countering this, the RSI is testing resistance, a momentum rejection here would leave the futures vulnerable to a technical pullback. The move above USD 102.03 indicates that we are seeing an increase in buyside pressure, while a close and hold above the 200-period MA will be confirmation. Conversely, market buyer's will need to act with caution if we fail to hold the average. Although buyside pressure is increasing, the momentum resistance is leaving price vulnerable to a move lower in the near-term, making the USD 101.96 the key support to follow

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