



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	104.59	R1	109.40	108.60	RSI above 50 Stochastic overbought
S2	103.88	R2	110.50		
S3	103.25	R3	112.70		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (86)
- Stochastic is overbought
- Price is above daily pivot level USD 103.88
- Technical Outlook Tuesday: Cautious on moves higher
- The upside move to a new high yesterday meant that we had a negative divergence with the RSI. Not a sell signal, it warned that buy-side momentum could slowdown, meaning we were cautious on higher moves at those levels, at that point. Corrections below USD 102.10 would indicate that sell side pressure was increasing, warning the Fibonacci support zone could come under pressure. We identified USD 98.24 as the key support to follow, throwbacks that held above this level would indicate that there is an underlying support in the market. Conversely, below USD 98.24 the probability of price trading to a new high would begin to decrease.
- The futures traded to a high of USD 105.55 with price still in divergence with the RSI; however, with more restriction on BHP's products (Bloomberg) the futures have seen a strong move higher. We are 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 above USD 103.88 with the RSI at or above 70 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 101.42 will support a near-term bull argument, below this level the technical will have a neutral bias
- Technical Outlook: bullish
- The upside move on the back of the BHP announcement has resulted in divergence failure, meaning we have bullish momentum confirmation. Volume support, while the RSI making new highs, suggests that downside moves should be considered as countertrend at this point, making USD 101.42 the key support to follow. Below this level the probability of price trading to a new high would be reduced. Near-term resistance will be around the USD 109.40 fractal resistance from the 07/01, having previously been respected, we could see recent buyers looking exit positions.

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