



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	107.83	RSI above 50	
S2	103.25	R2	108.64		
S3	101.42	R3	110.27		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (62)
- Stochastic is at 50
- Price is below daily pivot level USD 107.83
- Technical Outlook Thursday: Bullish
- The upside move on the back of the BHP announcement had resulted in divergence failure, meaning we had bullish momentum confirmation. Volume support alongside the RSI making new highs suggested that downside moves should be considered as countertrend at that 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. We noted that near-term resistance would be around the USD 109.40 fractal resistance from the 07/01, as having previously been respected, we could see recent buyers looking exit positions.
- The futures traded to a high of USD 108.95 before entering into a corrective phase after the Chinese state buyer walked back on the initial restrictions due to the rapid rise in price. However, price looks to be following the technical footprint as we have seen a move higher in the Asian day session, following a 3-wave corrective pattern. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 107.83 with the RSI at or above 70 would mean price and momentum are aligned to the buyside. 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
- Having produced a 3-wave move lower the futures have held the EMA support band. Elliott wave analysis implies that downside moves should be considered as countertrend, providing we hold above the USD 101.42 support. Below this level the probability of the futures trading to a new high will begin to decrease. Fibonacci projection levels suggest that we could trade as high as USD 111.93 within this phase of the cycle. However, above USD 108.95 the RSI will be in divergence with the RSI, not a sell signal it warns that buyside momentum could slow, which will need to be monitored.

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