



Iron Ore Offshore Intraday Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	106.18	R1	107.47	RSI above 50	Stochastic overbought
S2	104.50	R2	108.03		
S3	103.20	R3	109.00		

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above daily pivot level USD 106.18
- Technical Outlook Thursday: Caution on downside moves
- We noted in the close report previously that upside moves should in theory be countertrend. The correction was complex, but with two positive divergences in play, we are leaning towards an W, X, Y correction, that had potentially completed, indicating resistance levels were vulnerable. However, USD 107.47 remained the key resistance, if this level was rejected, then support would remain vulnerable, suggesting our corrective count was wrong.
- The futures have seen a small move higher on the positive divergence with the RSI. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 106.18 with the RSI at or below 48 would mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 52.5 will mean it is aligned to the buy side. Upside moves that fail at or below USD 107.47 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, corrective moves that hold at or above USD 101.34 will imply that there is a larger, bullish Elliott wave cycle in play.
- Technical Outlook: Caution on downside moves
- Technically unchanged this morning. Price remains supported due to the two intraday divergences in play, having potentially seen a W, X, Y, completion. However, while below USD 107.47 we will have a cautious approach on upside moves; above USD 107.47 the probability of price trading to a new low will begin to decrease, supporting the W, X, Y, completion.

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