



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	101.34	R1	103.62	Stochastic oversold RSI below 50
S2	99.88	R2	103.97	
S3	97.40	R3	104.55	

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below daily pivot level USD 103.62
- Technical Outlook Previously: Bearish momentum confirmation
- The break to the downside previously meant that we'd had to re-evaluate are bearish corrective count, as the aggressive move lower indicates a 5-3-5 correction, rather than the initial X, Y, Z pattern that we thought had completed due to the divergences. The divergence failure signaled bearish momentum confirmation, as both price and the RSI were making new lows. This suggested that upside moves should be considered as countertrend while below the USD 105.33 level. Above USD 105.33 the probability of the futures trading to a new low would begin to decrease.
- The futures traded to a high of USD 104.70; however, the move has failed to hold. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 103.62 with the RSI at or above 42 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 105.33 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: Support remains vulnerable.
- The upside rejection in the Asian day session is warning that the USD 102.10 support could be tested and broken. The bearish momentum confirmation previously had warned that upside moves should be considered as countertrend, this remains the case. Key resistance is unchanged at USD 105.33, above this level the probability of the futures trading to a new low will begin to decrease.

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