



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	102.10	R1	104.23		
S2	101.77	R2	105.33		RSI below 50
S3	103.44	R3	105.61		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (44)
- Stochastic is above 50
- Price is below daily pivot level USD 104.23
- Technical Outlook Previously: Support remained vulnerable.
- The futures continued to see bid support yesterday with the RSI moving average turning flat, implying sell side momentum had slowed. However, our lower timeframe Elliott wave analysis (based on the correction), alongside the bearish momentum confirmation previously, continued to suggest that upside moves should be considered as countertrend in the near-term. Key resistance was at USD 105.33, if breached then the probability of price trading to a new low would begin to decrease; however, the 200-period intraday MA was at USD 105.44. This was a benchmark average and held more weight than the Fibonacci resistance, meaning for upside continuation, price will need to close and hold above the average. Conversely, if the USD 105.34 resistance was breached, but price failed to hold above the 200-period MA, then support should still be considered as vulnerable.
- The futures rejected the EMA resistance band resulting in price selling lower. The RSI is below 50 with intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 104.23 with the RSI at or above 45.5 would mean price and momentum are aligned to the buy side. 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 overnight rejection of the EMA resistance band is warning that the USD 102.10 fractal low remains vulnerable. However, we will have a note of caution on downside breakouts below USD 102.10, as the RSI is likely to be divergent, warning sell side momentum could slow. We remain cautious on upside moves in the near-term, and continue to highlight USD 101.34 as a key longer-term support; if it holds, it will warn that there could be a larger, bull cycle in play.

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