



# 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	103.60	R1	105.33	RSI above 50	
S2	102.10	R2	105.73		
S3	101.77	R3	105.95		

### Synopsis - Intraday

- Price is between the 34 - 55 period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- Price is above daily pivot level USD 103.60
- Technical Outlook Previously: Support remained vulnerable.
- We noted yesterday that the overnight rejection of the EMA resistance band warned that the USD 102.10 fractal low remained vulnerable. However, we had a note of caution on downside breakouts below USD 102.10, as the RSI was likely to be divergent, warning sell side momentum could slow. We maintained a cautious approach on upside moves in the near-term, and continued to highlight USD 101.34 as a key longer-term support; if it held, it would warn that there could be a larger, bull cycle in play.
- Having sold to a low of USD 102.50 the futures have seen bid support in the Asian day session, resulting in price trading back in the EMA resistance band. The RSI is above 50 with intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 103.60 with the RSI at or below 44.5 would mean price and momentum are aligned to the sell 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: Neutral
- The failed test to the downside yesterday means that price is back trading in the EMA resistance band, while the RSI moving average implies momentum is supported, warning the resistance at USD 105.33 is becoming vulnerable. In theory, based on lower timeframe Elliott wave analysis, upside moves should be considered as countertrend; however, if the USD 105.33 resistance is breached, then the probability of price trading to a new low will begin to decrease. The Momentum support is conflicting with our wave analysis, meaning we have a neutral view this morning.

Chart source Bloomberg

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