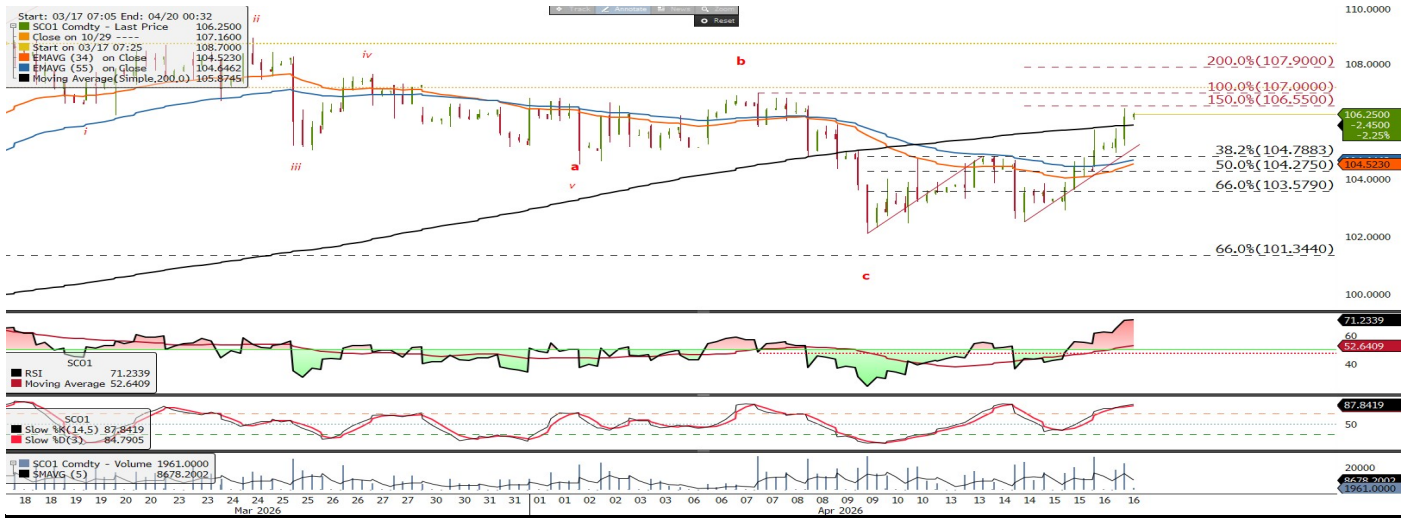




# Iron Ore Offshore Intraday Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	103.98	R1	106.55		
S2	104.78	R2	107.00	RSI above 50	Stochastic overbought
S3	103.57	R3	107.90		

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above daily pivot level USD 103.98
- Technical Outlook Previously: Neutral
- We noted yesterday that the failed test to the downside previously meant that price was back trading in the EMA resistance band, while the RSI moving average implied momentum was supported, warning the resistance at USD 105.33 was 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 was breached, then the probability of price trading to a new low would begin to decrease. The Momentum support was conflicting with our wave analysis, meaning we have a neutral view yesterday.
- The futures have moved higher on the momentum support, resulting in the USD 105.33 resistance being broken. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 103.98 with the RSI at or below 50.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 103.57 will support a bull argument, below this level the futures will re-enter bearish territory.
- Technical Outlook: Buyside pressure increasing
- The upside move above USD 105.33 means that the probability of the futures trading to a new low has begun to decrease, suggesting downside moves should now be considered as countertrend. The RSI is making new highs with price, while the RSI moving average implies that momentum is supported, warning the USD 107.00 fractal resistance could be tested and broken.

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