



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 | 105.77 | R1 | 106.75 | RSI above 50 | |
| S2 | 105.00 | R2 | | | 107.90 |
| S3 | 104.45 | R3 | | | 108.93 |

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (66)
- Stochastic is below 50
- Price is above daily pivot level USD 105.77
- Technical Outlook Previously: Buyside pressure increasing
- We noted previously that the upside move above USD 105.33 meant that the probability of the futures trading to a new low had begun to decrease, suggesting downside moves should now be considered as countertrend. The RSI was making new highs with price, while the RSI moving average implied that momentum was supported, warning the USD 107.00 fractal resistance could be tested and broken.
- The futures have traded higher with price now above key resistance on the daily chart at USD 106.62. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 105.77 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 103.69 will support a bull argument, below this level the futures will re-enter bearish territory.
- Technical Outlook: caution on downside moves.
- The move above the USD 106.62 daily resistance means that the probability of the futures trading to a new low within this phase of the cycle has started to decrease, suggesting downside moves should be considered as countertrend. However, the intraday move above USD 106.45 means that the RSI is divergent with price. Not a sell signal, it is a warning that buyside momentum could slow, this needs to be monitored. If the divergence fails, then the momentum confirmation will imply further upside in the near-term. The divergence indicates caution on upside moves in the near-term, but downside moves should now be considered as countertrend.

Chart source Bloomberg