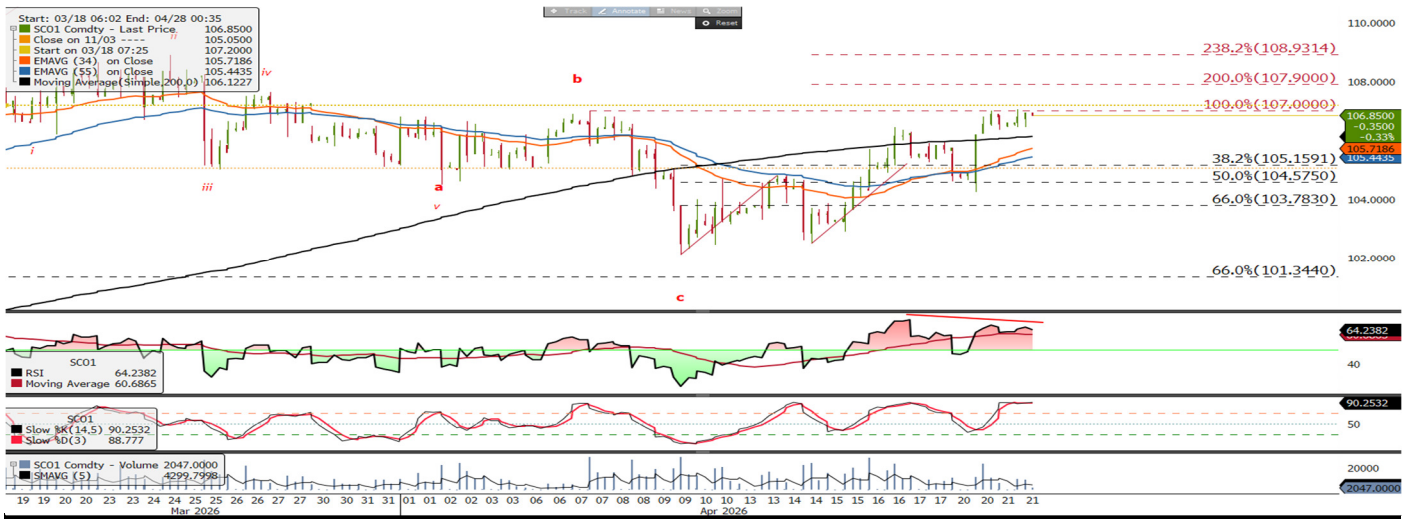




Iron Ore Offshore Intraday Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	106.02	R1	106.85	RSI above 50	
S2	105.15	R2			
S3	104.57	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above daily pivot level USD 106.02
- Technical Outlook Previously: caution on downside moves.
- The move above the USD 106.62 daily resistance previously meant that the probability of the futures trading to a new low within this phase of the cycle had started to decrease, suggesting downside moves should be considered as countertrend. However, the intraday move above USD 106.45 meant that the RSI was divergent with price. Not a sell signal, it warned that buy-side momentum could slow, this needed to be monitored. If the divergence failed, then the momentum confirmation would imply further upside. The divergence indicated caution on upside moves in the near-term, but downside moves should now be considered as countertrend.
- The futures are consolidating near their highs. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 106.02 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 103.78 will support a bull argument, below this level the futures will re-enter bearish territory.
- Technical Outlook: caution on downside moves.
- Unchanged on the technical this morning. Due to the divergence with the RSI, we remain cautious on upside moves in the near-term, unless we see the divergence fail. If we do, then the bullish momentum confirmation will leave resistance levels vulnerable. Due to the move above the USD 106.62 resistance on the daily chart, downside moves are currently considered as countertrend, as the probability of price trading to a new low has begun to decrease.

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