



Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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



	Support	Resistance	Current Price	Bull	Bear
S1	106.04	R1	106.80		
S2	105.31	R2	107.66		RSI below 50
S3	104.70	R3	108.60		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (40)
- Stochastic is below 50
- Price is below daily pivot level USD 106.80
- Technical Outlook Previously: Cautious bull negative divergence in play
- The futures were moving lower on the negative divergence with the RSI last week, implying caution on upside moves in the near-term. Throwbacks that held at or above USD 103.93 would imply that there is a larger bullish Elliott wave cycle in play; conversely, below this level the depth of the pullback would suggest that the probability of the futures achieving a new high would begin to decrease.
- The futures continue to come under pressure due to the negative divergence with the RSI. We are below the EMA support band with the RSDI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 106.80 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 103.93 will support a bull argument, below this level the technical will have a neutral bias,
- Technical Outlook: Inflection point
- The downside move on the divergence means that the futures are now testing the intraday 200-period MA at USD 106.04, the technical is currently at an inflection point. A close and hold below the average will signal an increase in sell-side pressure, warning the Fibonacci support zone could be tested, making USD 103.93 the key support to follow. Below USD 103.93 the probability of price trading to a new high will begin to decrease. Conversely, if the 200-period MA holds, it will imply that there is an underlying support in the market. As highlighted in the weekly report on Friday, the move above USD 106.62 means we are cautious on downside moves while above the USD 103.93 level.

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