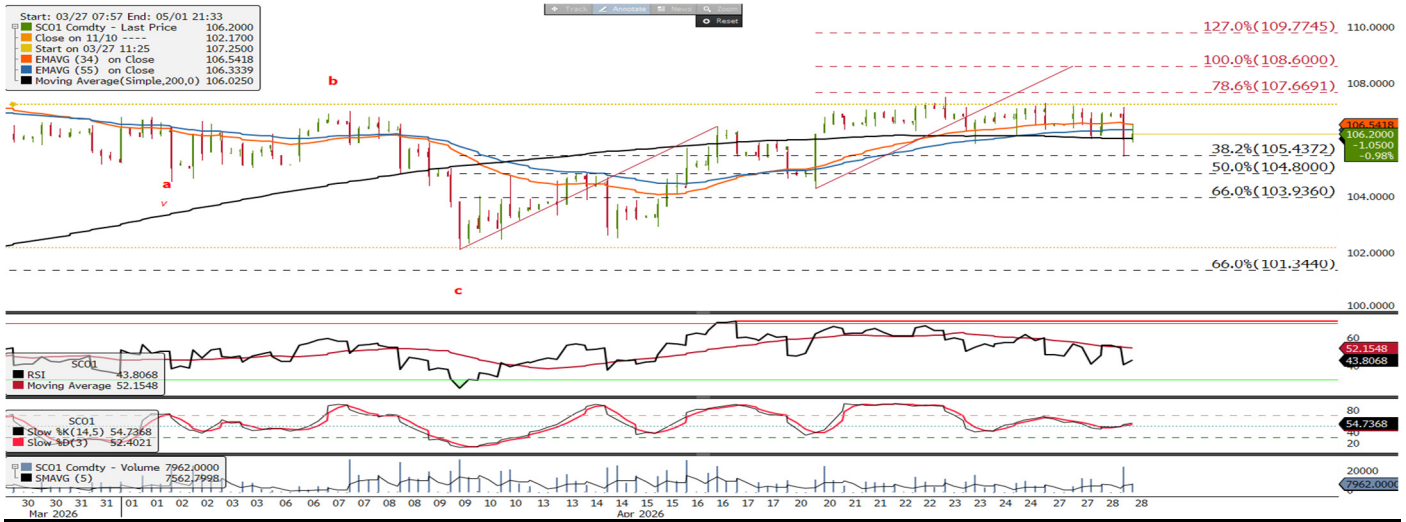




# Iron Ore Offshore Intraday Technical

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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	106.58		RSI below 50
S2	105.31	R2	107.66		
S3	104.70	R3	108.60		

### Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (43)
- Stochastic is above 50
- Price is below daily pivot level USD 106.58
- Technical Outlook Previously: Inflection point
- We noted yesterday that the downside move on the divergence meant that the futures were testing the intraday 200-period MA at USD 106.04, the technical was at an inflection point. A close and hold below the average would 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 would begin to decrease. Conversely, if the 200-period MA held, it would imply that there was an underlying support in the market. As highlighted in the weekly report on Friday, the move above USD 106.62 meant we were cautious on downside moves while above the USD 103.93 level.
- The futures have traded to a high of USD 107.15 and a low of USD 105.40; however, of both occasions the futures have reverted back to the intraday 200-period MA at USD 106.02. We are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 106.58 with the RSI at or above 54 will mean price and momentum are aligned to the buy-side. 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
- Technically we maintain our view that the move above USD 106.62 suggests that downside moves have a higher probability of being countertrend. However, the reversion back to the intraday 200-period MA at USD 106.02 highlights a degree of uncertainty regarding near-term directional bias, signaling we remain at an inflection point. As highlighted yesterday, if we hold above the average then market bulls will target the USD 107.50 fractal high in the near-term. Conversely, a close and hold below the average it will indicate price action remains corrective. Near-term price action is currently neutral.

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