



# 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	107.37	R1	107.85	RSI above 50	Stochastic overbought
S2	106.77	R2			
S3	106.48	R3			

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (66)
- Stochastic is above 50
- Price is above daily pivot level USD 106.77
- Technical Outlook Previously: Buyside pressure increasing—resistance vulnerable.
- We noted yesterday that we'd had two tests of the intraday 200-period MA, with price failing to hold below it on both occasions. The RSI had broken trend resistance, while price and momentum were aligned to the buyside, signaling momentum was starting to strengthen, warning resistance levels were becoming increasingly vulnerable. Upside breakouts above USD 107.50 had a potential near-term upside target at USD 108.73; however, above USD 107.50 price would be divergent with the RSI. This was not a sell signal, but it did warn that buyside momentum could slow, so therefore needed to be monitored.
- The futures have traded to a high of USD 108.60 before seeing a small pullback. 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 106.77 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 106.48 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Buyside pressure increasing—resistance vulnerable.
- With the futures trading above the USD 107.50 fractal high we have moved from the lower Elliott wave count to the higher. Price action is bullish; if we do not trade above the USD 109.00 fractal high, then downside moves should in theory be considered as counter-trend. The intraday divergence has failed, meaning we have bullish momentum confirmation, supporting our analysis that resistance is vulnerable. If we trade above USD 109.00, our Fibonacci projection levels suggest that we could trade as high as USD 110.69 for this phase of the cycle.

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