



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	110.02	R1	113.02	RSI above 50	Stochastic overbought
S2	109.40	R2	116.00		
S3	108.95	R3	119.75		

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above daily pivot level USD 110.02
- Technical Outlook Previously: Buyside pressure increasing—resistance vulnerable.
- Technically bullish previously, we noted that while below USD 109.00 downside moves should be considered as countertrend. Above USD 109.00 our Fibonacci projection levels suggested that we had the potentials to trade as high as USD 110.69 for this phase of the cycle. We highlighted on a weekly technical yesterday that price was potentially breaking a consolidation zone to the upside.
- The futures remain support but lack follow through having traded to a high of USD 111.15 yesterday. 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 110.02 with the RSI at or below 66.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 107.35 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: momentum warning
- As highlighted yesterday, the technical is bullish, if we hold above the USD 109.40 level then we are looking at a rectangular breakout on the weekly timeframe. However, a sustained close below USD 109.40 will warn that the breakout has potentially failed. On the intraday technical, we highlight a failed swing high on the RSI, this is warning price is becoming vulnerable to an intraday pullback in the near-term. Market bulls will need to be cautious on throwbacks that breach the USD 107.35 support, as it will lower the probability of price achieving new highs.

Chart source Bloomberg

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