



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	109.40	R1	110.55	RSI above 50	
S2	108.95	R2	110.50		
S3	107.35	R3	116.00		

Synopsis - Intraday

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (62)
- Stochastic is above 50
- Price is on/below daily pivot level USD 110.55
- Technical Outlook Previously: momentum warning
- As highlighted previously, the technical was bullish, if we held above the USD 109.40 level then we would be looking at a rectangular breakout on the weekly timeframe. However, a sustained close below USD 109.40 would warn that the breakout had potentially failed. On the intraday technical, we highlighted a failed swing high on the RSI, warning that price was becoming vulnerable to an intraday pullback in the near-term. Market bulls would need to be cautious on throwbacks that breached the USD 107.35 support, as it would lower the probability of price achieving new highs.
- The futures sold to a low of USD 109.60 in the Asian evening session; however, the move failed to hold. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 110.55 with the RSI at or above 71 will mean price and momentum are aligned to the buy 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 conflict.
- The futures have entered a consolidation phase; however, the failed swing high on the RSI does imply momentum weakness. Countering this, we have a minor positive reversal in play, implying caution on lower moves. Momentum and recent price action imply intraday neutrality, in what looks to be a broader bullish trend. Market bulls should be cautious on a sustained daily close below USD 109.40, as it will warn that the bullish breakout from the rectangular triangle could be failing.

Chart source Bloomberg

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