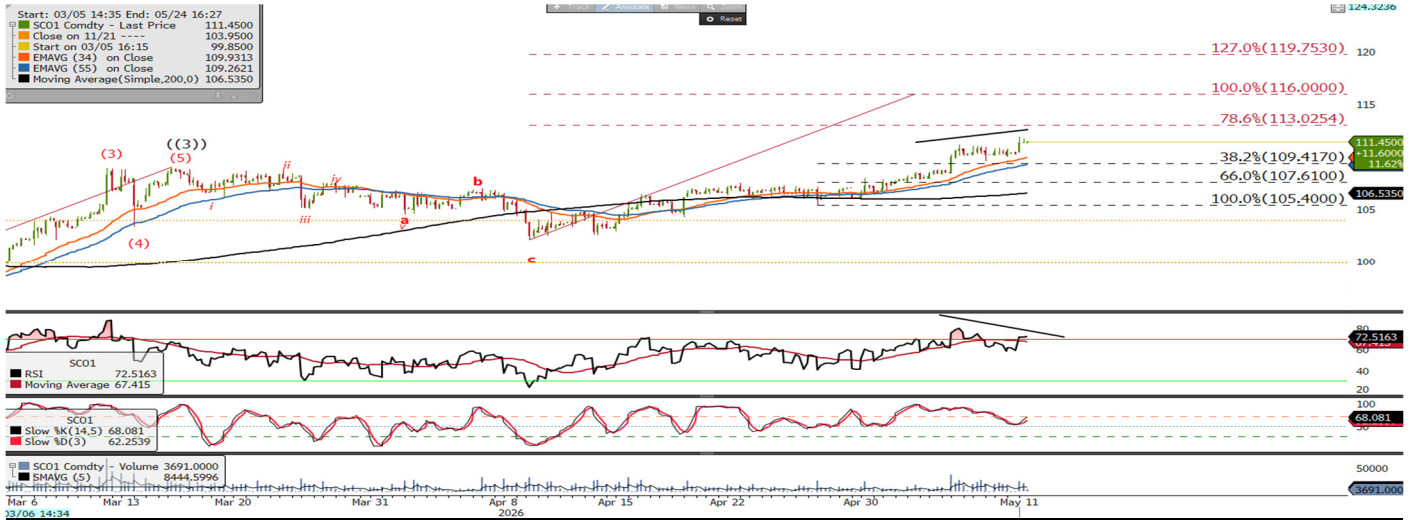




# Iron Ore Offshore Intraday Technical

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



	Support	Resistance	Current Price	Bull	Bear
S1	110.33	R1	113.02	RSI above 50	
S2	109.40	R2	116.00		
S3	107.61	R3	119.75		

### Synopsis - Intraday

Chart source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (72)
- Stochastic is above 50
- Price is above daily pivot level USD 110.33
- Technical Outlook Previously: momentum conflict.
- The futures had entered a consolidation phase; however, the failed swing high on the RSI did imply momentum weakness. Countering this, we had a minor positive reversal in play, implying caution on lower moves. Momentum and recent price action imply intraday neutrality, in what looked to be a broader bullish trend. Market bulls should be cautious on a sustained daily close below USD 109.40, as it would warn that the bullish breakout from the rectangular triangle could be failing.
- The futures have moved higher on the positive reversal pattern. 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 110.33 with the RSI at or below 65 will mean price and momentum are aligned to sell side. Downside moves that hold at or above USD 107.61 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Negative divergence in play
- The upside move to the new high has resulted in a negative divergence forming on both the RSI and stochastic. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. If price continues to move higher resulting in the divergence failing, then the bullish momentum confirmation will leave resistance levels vulnerable. Lower timeframe Elliott wave analysis suggests that downside moves should be considered as countertrend, making USD 107.61 the key support to follow. If breached, then the probability of price achieving new highs will begin to decrease. While the divergence is in play, we have a note of caution on upside moves at this point.

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