

FIS LME Steel Scrap Futures

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

LME Steel Scrap Futures—December



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|-----------------|-----------------------|
| S1 | 296.21 | R1 | 305.00 | RSI is above 50 | Stochastic overbought |
| S2 | 293.5 | R2 | | | |
| S3 | 289.82 | R3 | | | |

Synopsis - Intraday

- Price is above the 21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- The technical trend is bullish, price is making higher highs and higher lows with the futures above the 8—21 period EMA's. The RSI is above 50 and in bullish territory also
- Although the RSI is above 50 in bullish territory it is showing a negative divergence with price (the futures are making a new high but the RSI is not). A negative divergence is not a sell signal, it is a warning that upside momentum could slowdown soon
- The futures are also showing a 5-wave pattern known as Elliott wave. Price is on the 5th and final wave of this phase (note this pattern could be part of a bigger cycle) meaning it has the potential to correct soon
- Based on Fibonacci protection, the current near—term target/Resistance zone is between USD 307.75—USD 313.83
- Downside moves that hold at or above the USD 289.82 level would keep the technical in bullish territory. Below this level the pullback is considered as deep increasing the probability that the bullish impulse pattern has entered a corrective phase
- Technically bullish but not considered a technical buy due to it being on an Elliott 5th wave and in divergence

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com