

FIS U.S—HRC Technical Report

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U.S.—HRC Technical Report

Synopsis:

The Elliott Wave

The technical is in a bull trend supported by an RSI above 50. Elliott wave analysis would suggest this is a bullish wave 3 ,meaning downside moves should be considered as countertrend.

Intraday Elliott wave analysis has this as an extended wave 3. Momentum indicators are now in divergence, warning that the intraday upside moves is looking overextended and in need of a corrective wave lower soon.

Downside moves the close below the USD 773 level with the RSI at 74.5 or lower would support an intraday corrective phase. Note USD 773 is based on a rising average line on the intraday candles, meaning that if price maintains these levels over the next few days this level should increase

Technically bullish but in need of a corrective wave lower in the near-term based on Elliott wave analysis.

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U.S.—HRC Dec



Support		Resistance		Current Price	Bull	Bear
S1	763	R1	803	797	RSI above 50	Stochastic overbought
S2	732	R2	817			
S3	694	R3	837			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 8—21 period EMA’s
- RSI is above 50 (89)
- Price is above the 8—21 period EMA’s with the daily futures making higher highs and higher lows
- The RSI is above 50 in a bullish trending environment above its moving average. If the RSI closes below 85 then it would imply momentum is starting to weaken
- Downside moves that close below USD 762 would indicate technical weakness based on price
- Elliott wave analysis would indicate that we are on a bullish wave 3, suggesting downside moves should be considered as countertrend at this point. Fibonacci support Starts at USD 694; downside moves that hold at or above USD 619 level would keep the longer-term trend in bullish territory, below this level the pullback is considered as deep and the technical phase neutral
- Upside resistance is between USD 803—USD 837
- Technically bullish with downside moves considered as countertrend at this point

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U.S.—HRC Dec Intraday



Synopsis - Intraday

Chart source Bloomberg

- As highlighted on the daily chart the futures look to be on an Elliott 3rd wave. Intraday wave analysis would suggest the wave 3 is extended, with the futures being on the 3rd wave of the extend wave 3 on the daily technical
- Both the RSI and MACD are in divergence on the intraday chart, warning that we have the potential for a momentum slowdown soon
- Elliott wave analysis would suggest that downside moves should be considered as countertrend at this point, with near term support at USD 746 and Fibonacci support starting at USD 694. As highlighted on the daily technical price remains in bullish territory above the USD 619 level
- Technically bullish the intraday futures are showing signs of a momentum slowdown in the form of a negative divergence, warning we could be entering into a corrective wave 4 soon. It is worth noting that the divergence is a warning, it is not a sell signal and will need confirmation based on price and momentum
- Downside moves on the 4—hour candle that close below the USD 7,73 level would warn that the intraday technical is showing a momentum slowdown based on price. However for momentum to support a corrective move the RSI will have to be at 74.5 or lower; at this point price and momentum would be aligned to the downside

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