



# Shanghai Steel Rebar Active Contract

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## Steel Rebar May 21



Support	Resistance	Current Price	Bull	Bear
S1	R1	4,280	RSI Above 50	Stochastic oversold
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21-period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- The futures are holding at a minor resistance at RMB 42.90 with a more major resistance at RMB 4,306. Upside moves above the RMB 4,306 level would take the daily technical into a neutral phase
- The futures look to be in a corrective wave 4 of a longer term bullish cycle. This would suggest that downside moves should be considered as countertrend. Intraday wave analysis would suggest we have the potential for another test to the downside within this corrective phase
- Upside moves that trade above the USD 4,398 level would break fractal resistance and create a higher high in the market. This would be considered as bullish and imply the futures were exiting the corrective wave 4
- Downside moves on the 4-hour intraday chart that close below the RMB 4,268 level with the RSI at 43 or lower would warn the intraday futures are weakening, this would give us a near-term downside target at RMB 4,128. Price action that holds below the RMB 4,128 level would target the RMB 4019— RMB 3,970 area
- Elliott wave analysis would suggest we are in a countertrend corrective wave 4, meaning we should have Bullish upside wave 5 to follow. The intraday wave analysis would imply there is potential for another test to the downside within this wave 4 targeting RMB 4,128 or lower first

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