

FIS U.S HRC Technical Report

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US HRC March 23 (Rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	R1	881	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (77)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 848)
- Having broken out of the consolidation phase last week, the futures had confirmed that we had entered a bullish Elliott wave 5. We maintained our view that we had a potential upside target of USD 848 (using the William's method); we noted that the move above USD 796 meant that the minimum requirement for wave/phase completion had been achieved. We also highlighted that the RSI was in divergence with price, not a sell signal, it did warn that we had the potential to see a momentum slowdown and needed to be monitored. The futures continued to move higher with price trading up to and above our USD 848 target, resulting in the negative divergence failing. Price remains above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 791 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 740 is the technical bearish.
- We remain technically bullish with price in a trending environment. At this point we look to be on an extended Elliott wave 5; however, if we move much higher, we could be looking at a larger bullish Elliott wave cycle, this is not yet confirmed. Intraday Elliott wave analysis still suggests that downside moves should be considered as countertrend at this point, making USD 791 the key support to follow.

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