

FIS U.S HRC Technical Report

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Support	Resistance	Current Price	Bull	Bear
S1	R1	695	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 703)
- Technically bearish on the last report, we noted that the close above the pivot level could be significant, as it would be the first of 3 closes that would warn market shorts that we could be about to see a countertrend move higher. The futures closed above the weekly pivot (USD 700), the high of the high of the last dominant bear candle (USD 712) and the USD 723 level, resulting in the futures trading to a high of USD 730. However, we failed to test the Fibonacci resistance zone. Our Elliott wave analysis suggested that upside moves should be considered as countertrend, this has been the case, as the futures have since moved lower. Price is below the 8-21 period EMA's with the RSI still below 50.
- Upside moves that fail at or below USD 8,13 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias, as the depth of the pullback would suggest that the probability of the futures trading to a new low will have started to decrease.
- Technically bearish, the futures look to be on a bearish Elliott wave 5 for this phase of the cycle; however, confirmation only comes below the USD 675 low. If we do trade to a new low, using Fibonacci projection levels, we have a potential downside target at USD 592. We should note that a new low will achieve the minimum requirement for phase cycle completion, it will also create a positive divergence with the RSI. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored.

Source Bloomberg