

FIS U.S HRC Technical Report

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US HRC Jan 24



Support	Resistance	Current Price	Bull	Bear
S1	1,107	R1	1,144	Stochastic overbought
S2	986	R2	1,188	
S3	942	R3	1,231	
		1,111	RSI above 50	

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the weekly pivot point USD 1,107
- Technically bullish on the last report, intraday Elliott wave analysis suggested that downside moves should be considered as counter-trend, the RSI was making new highs, supporting this. The MA on the RSI also suggested that momentum was supported, implying that the Fibonacci support levels should in theory hold it tested. Downside moves below USD 853 would be considered as deep into the last bull wave, meaning that the probability of the futures trade to a new high would start to decrease. We noted that the intraday RSI is now in divergence, not a sell signal it is a warning that we had the potential to see a momentum slowdown, implying we are vulnerable to a technical pullback within the larger bull trend. Rather correcting the futures consolidated with price trading to a low of USD 1,005 before moving higher. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 881 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 750 is the Elliott wave cycle bearish.
- Technically bullish, the consolidation means that we have seen an Elliott wave extension to the upside, implying that downside moves should in theory be considered as countertrend. A move below USD 881 will be considered as deep into the last bull wave, meaning that the probability of the futures trading to a new high will start to decrease, warning the wave cycle could fail. We have highlighted on the chart a negative divergence (price making a new high, the RSI is not). This is not a sell signal, but it is a warning that we are seeing a momentum slowdown, leaving the futures vulnerable to a corrective move lower. The MA on the RSI is also suggesting that buyside momentum is weak at this point., leaving us cautious on upside moves at these levels.

Source Bloomberg