OIL | IRON ORE STEEL | COKING COAL | **CONTAINERS** PHYS FREIGHT

U.S HRC Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

US HRC Jan 24



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

Source Bloomberg

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 countertrend, 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 vulnerbale 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.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com