

FIS Turkish Scrap 80:20 Technical Report

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Turkish Scrap June 24 (Rolling)



Support	Resistance	Current Price	Bull	Bear
S1	R1	382.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 385)
- Technically bearish on the last report, the close above the weekly pivot level implied that buy-side pressure was increasing. The Upside on the 17/04 was above the high of the recent low candle, warning resistance levels had the potential to come under pressure in the near-term. We were testing the 200-period MA which was flat, implying a lack of directional bias. We noted that this was a benchmark average, a close above that held above it would further support a buyer's argument, warning that the USD 392 resistance could be tested and broken, if it was, then the probability of the futures trading to a new low would start to decrease. We noted that the Iron ore futures were covering shorts, bringing bid support to the sector, warning we could be seeing a sentiment change in the market.
- The futures traded to a high of USD 397.5; however, we have since sold lower. Price is below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 402 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we are bearish with the MA on the RSI warning that momentum is weak. The upside rejection off the USD 402 resistance is warning that we are vulnerable to a move lower. The technical is at an inflection point, as we closed below trend support yesterday (USD 381.5), with price trading back above it on the intraday move today, we also have a trend resistance at USD 384.5. If we close below and hold below USD 381.5, it will warn that support levels could come under pressure; likewise, a close above that holds above USD 384.5 will indicate that buy-side pressure is increasing. Next weeks pivot level currently looks like it will be around the USD 381 – USD 382 area (Level will be set on the close), if we are above this level, it will leave resistance levels vulnerable. Note: based on the market profile chart, the most heavily traded area in the last two years (and last 12 months) is at USD 383. Implying the technical has found value. USD 383 is now effectively the point of control in the market, with directional bias coming on a move away from this level. Until we see this, we have a neutral bias.

Source Bloomberg