

FIS U.S HRC Technical Report

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US HRC Oct 24



Support	Resistance	Current Price	Bull	Bear	
S1	694	R1	750	731	RSI above 50
S2	681	R2	767		
S3	660	R3	770		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is at 50
- Price is above the weekly pivot point USD 718
- Technically bullish on the previous report (08/08), the MA on the RSI implied that momentum was supported. The futures had moved higher (from the USD 652 low) on the back of a positive divergence with the RSI, the bearish Elliott wave cycle looked like it had completed. The upside moves to new highs was being replicated by the RSI, suggesting downside moves could be countertrend, making USD 692 the key support to follow. Our intraday Elliott wave analysis suggested that we had the potential to trade as high as USD 792 within this phase of the cycle. However, the upside target was based on a Fibonacci projection from the USD 720 low; if we traded lower, the upside target would be reduced accordingly. If we closed above the weekly pivot level (USD 728), it would indicate that buy-side pressure was increasing.
- The futures failed to close above the weekly pivot level resulting in a deeper pullback than expected. We failed to trade to a new low; however, the following upside move also failed to make a new high. We have now rolled into the October contract with price trading above the 8-21 period EMA's whilst the RSI is above 50.
- Having broken key support and resistance, price action is now neutral. The MA on the RSI is implying we have light momentum support; however, the RSI is below its average whilst the EMA's are flat, supporting a neutral environment. The downside Elliott wave cycle looks to have completed, but price has entered a consolidation phase between USD 652 – USD 770 (highlighted on the chart). A close above that holds above the USD 770 level will support a bull argument, failure to do so will mean we remain in consolidation. Downside moves that close below USD 652 will suggest that we are seeing some form of Elliott wave extension; however, the futures have the potential to create further negative divergence with the RSI below this level. If we do, then it will warn we could see a momentum slowdown, indicating the futures would not be considered a technical sell. Technically price action is now neutral.

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