



# North European Hot-Rolled Coil Steel

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## North European Hot-Rolled Coil Steel - Generic 2nd (May) Daily



Support	Resistance	Current Price	Bull	Bear
S1: 621	R1: 657	642	RSI above 50	
S2: 610	R2: 668			
S3: 594	R3: 679			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 50—60 period EMA's
- RSI is above 50 (54)
- Stochastic is below 50
- Weekly Pivot level— Previous weeks Hi+Lo+Close/3 (EUR 641)
- Technically bullish on the last report, an upside move above EUR 657 would create a negative divergence on the intraday technical. Not a sell signal, it warned that we could see a momentum slowdown, suggesting caution on upside breakouts. A close on the daily candle below EUR 641 would warn that buyside pressure was decreasing, whilst a close below EUR 635 (current weekly pivot level) would suggest sell side pressure was increasing. Below EUR 617 the technical would be bearish based on price, warning the USD 592 Fibonacci support would start to look vulnerable. Corrective moves lower that held at or above this level would warn that there is potentially a larger, bullish cycle coming into play. We were bullish, but had a note of caution on upside breakouts above EUR 657, as price would be divergent with momentum on the lower timeframe.
- The futures traded to a high of EUR 660; however, due to the intraday divergence the upside move failed to hold, resulting in price entering a corrective phase, the move below the EUR 625 support means the technical is bearish. We have held the EMA support band, with price seeing a small move higher today, due the global risk on move yesterday (09/04) when the US suspended some tariffs. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 594 will support a longer-term bull argument, below this level, the probability of there being a larger bullish Elliott wave cycle in play will start to decrease.
- We are bearish but holding the EMA support band, whilst price is moving above the weekly pivot level (USD 641). If we close above and hold above USD 641 it will warn that the USD 660 fractal high could be tested and broken. However, we have a note of caution on upside breakouts, as the new high will create a negative divergence with the RSI; not a sell signal, it is a warning that buyside momentum could slow down. We are cautious on moves higher as the technical suggests that upside moves could struggle to hold.

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