



# North European Hot-Rolled Coil Steel

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



Support		Resistance		Current Price	Bull	Bear
S1	602	R1	616	614		RSI below 50
S2	594	R2	625			
S3	581	R3	636			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 30—60 period EMA's
- RSI is below 50 (45)
- Stochastic is below 50
- Weekly Pivot level (EUR 602)
- Technically bearish on the previous report, the MA on the RSI implied that momentum was weak. Both price and the RSI were making new lows, warning upside moves had the potential to be countertrend. We noted that if we did trade above the EUR 644 level then the probability of the futures trading to a new low would start to decrease. The consolidation phase over the previous 5 weeks had resulted in price selling lower on the 23/04, suggesting that we have been witnessing some distribution in the market, warning we were still vulnerable to further test to the downside.
- The futures sold to a low of EUR 590 before finding bid support. We remain below the 30-60 period EMA's with the RSI below 50.
- Upside moves that fail at or below EUR 636 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move below the EUR 594 support means that the probability of their being a larger, bullish Elliott wave cycle in play has started to decrease. Near-term price action is supported with price above the faster moving average (black line); however, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making EUR 636 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. A close on the daily candle below EUR 606 will indicate that sell side pressure is increasing, warning the EUR 590 fractal low could be tested and broken. Based on the RSI making new lows with price, alongside our intraday Elliott wave analysis, we remain cautious on moves higher at this point.

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