



North European Hot-Rolled Coil Steel

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

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



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|-----|------------|-----|---------------|------|--------------|
| S1 | 556 | R1 | 579 | 565 | | RSI below 50 |
| S2 | 540 | R2 | 581 | | | |
| S3 | 535 | R3 | 594 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 30—60 period EMA's
- RSI is below 50 (42)
- Stochastic is overbought
- Weekly Pivot level (EUR 552)
- Technically bearish on the last report, the MA on the RSI implied that we had light momentum weakness, whilst the RSI was making new lows, suggesting upside moves had the potential to be countertrend. This was supported by our Elliott wave analysis, as we noted previously that upside moves could struggle to hold, at this point we have not seen a technical pullback. A close that held above the linear regression line (EUR 571) would warn that buyside pressure was increasing, meaning we could see the Fibonacci resistance zone come under pressure. However, whilst below EUR 617 we were cautious on moves higher; if broken, then the probability of price trading to a new low would start to decrease.
- The futures continued to sell lower with the linear regression line acting as a resistance point. Having traded to a low of EUR 540 the futures are now seeing bid support. Price is between the 30-60 period EMA's with the RSI still below 50.
- Upside moves that fail at or below EUR 611 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias, as the probability of price trading to a new low will start to decrease.
- Technically bearish, the futures are now finding bid support with price above the linear regression line (EUR 556). Our Elliott wave analysis suggests that upside moves should be countertrend, this is supported by the RSI making new lows. Fibonacci resistance starts at EUR 581, whilst EUR 579 is currently 2 standard deviations above the linear regression line. Upside moves around this resistance zone could struggle to hold, as the regression resistance suggests price will start look overextended to the upside (note: EUR 585 was a consolidation support, suggesting this could also act as a resistance). The futures are finding bid support, however, we have a note of caution on moves higher as we approach the EUR 579—EUR 581 resistance area.

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 freightinvestorservices.com