

LME Steel HRC FOB China Generic 2nd Weekly (Aug)



Support	Resistance	Current Price	Bull	Bear
S1	R1	453.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 30—60 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- Weekly Pivot level (USD 442)
- Technically bearish on the previous report, the new low meant that we had two positive divergences in play. Although they were not buy signals, they warned that we could see a momentum slowdown, which needed to be monitored. Due to the divergences, the futures were not considered a 'technical' sell at these levels; however, we were not seeing buy signals at that point. If we saw a weekly close above USD 445, it would warn that buy-side pressure is increasing. Neutral.
- The futures failed to sell lower with price now testing the base of the Fibonacci resistance zone. We are between the 30-60 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 463 will leave the futures vulnerable to further test to the downside, above the level the technical will have a neutral bias.
- Technically bearish, the futures are finding bid support on the back of the divergences highlighted on the previous report. Price is above the weekly pivot level (USD 442) indicating buy-side pressure is increasing, warning the USD 475 resistance could be tested. If broken, then the probability of the futures trading to a new low will start to decrease. With the divergences still in play, we continue to be cautious on downside moves at this point.