



LME Steel HRC FOB China

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



Support	Resistance	Current Price	Bull	Bear
S1	R1	4,76.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 30—60 period EMA's
- RSI is above 50 (51)
- Stochastic is overbought
- Weekly Pivot level (USD 476)
- Technically bullish on the last report, the MA on the RSI implied that momentum was supported. We were finding resistance two standard deviations above the linear regression line (USD 479), implying caution on upside moves in the near-term, as price was potentially a little overextended, leaving it vulnerable to a pullback. At this point, we are running the regression line from high to low; however, we noted that the technical was now bullish, if we traded above the USD 488.5, the line will be run from low to high. Market bulls should be cautious on upside moves that failed to trade above the USD 488.5 level, as it would warn that the USD 456 support could come under; this was a key level on the technical, if broken, the probability of price trading to a new high would start to decrease. We are a cautious bull based on the linear regression resistance.
- The futures are consolidating between the EMA resistance band, the RSI is near neutral at 51.
- Downside moves that hold at or above USD 456 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this week, we remain bullish with the MA on the RSI implying that momentum is still supported at this point. We continue to see resistance two standard deviations above the linear regression line (USD 480), implying caution on upside moves in the near-term, as price will be potentially overextended if tested, leaving price vulnerable to a pullback. As noted previously, at this point, we are running the regression line from high to low; however, the technical is now bullish, if we trade above the USD 488.5, the line will be run from low to high. Market bulls should be cautious on upside moves that fail to trade above the USD 488.5 level, as it will warn that the USD 456 support could come under; this is a key level on the technical, if broken, the probability of price trading to a new high will start to decrease. We are a cautious bull based on the linear regression resistance. The technical is bull, price action is neutral.

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