

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



### Synopsis - Intraday

Source Bloomberg

- Price is above the 30—60 period EMA's
- RSI is above 50 (54)
- Stochastic is oversold
- Weekly Pivot level (EUR 590)
- We remained bullish but in a corrective phase last week. The upside rejection warned the EUR 580 support could come under pressure in the near-term. However, EUR 579 was two standard deviations below the linear regression line, if tested it would warn that we were starting to look over extended to the downside. The MA on the RSI did warn that momentum remained weak at that point; as noted previously, the RSI high on the 02/09/25 implied that downside moves had the potential to be countertrend, making USD 565 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease. The upside rejection warned that the EUR 580 fractal support is vulnerable in the near-term, but the linear regression support means that we had a note of caution below this level.
- The futures traded to a low of EUR 574 before moving higher. We are above the EMA support band with the RSI above 50.
- Downside moves that hold at or above EUR 565 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we have light momentum support. The futures held the two standard deviation support, resulting in price trading to a high of EUR 617; our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. The move higher on the 07/10/25 failed to hold, creating an upside rejection candle, resulting in price closing back below the 200-period MA (EUR 598), warning of sell side resistance at higher levels. A close that holds above the 200-period MA will imply buy-side support is entering the market, whilst a move above the EUR 617 resistance will warn that the EUR 625 fractal high could be tested and broken. Conversely, failure to hold above the 200 MA suggest market bulls should act with caution, as this is a key moving average, meaning we are at an inflection point.

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