

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



Support	Resistance	Current Price	Bull	Bear
S1	602	R1	629	Stochastic overbought
S2	593	R2	644	
S3	585	R3	664	

Synopsis - Intraday

Source Bloomberg

- Price is above the 30—60 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Weekly Pivot level (EUR 614)
- Technically bullish on the last report, the MA on the RSI implied that we had light momentum support. The futures had held the two standard deviation support, resulting in price trading to a high of EUR 617; our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend. The move higher on the 07/10/25 had 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 held above the 200-period MA would imply buyside support is entering the market, whilst a move above the EUR 617 resistance would warn that the EUR 625 fractal high could be tested and broken. Conversely, failure to hold above the 200 MA suggested that market bulls should act with caution, as this was a key moving average, meaning we were at an inflection point.
- The futures closed above the 200-period MA (EUR 597), resulting in the futures trading to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 593 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported; however, the new high has created a negative divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Countering this, the ADX is at 33 and rising, warning downside moves could still be countertrend in the near-term, making EUR 593 the key support to follow. Below this level the probability of the futures trading to a new high will start to decrease.