

**North European Hot-Rolled Coil Steel - Generic 2nd (Feb 26) Daily**

Support	Resistance	Current Price	Bull	Bear
S1 640	R1 657	650	RSI above 50	
S2 633	R2 666			
S3 628	R3 678			

**Synopsis - Intraday**

Source Bloomberg

- Price is above the 30—60 period EMA's
- RSI is above 50 (55)
- Stochastic is oversold
- Weekly Pivot level (EUR 647)
- Technically bullish on the last report in Late November, the futures were testing the EUR 642 fractal high; if broken, both the daily and intraday RSI's would be in divergence. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. In theory, downside moves were still considered as countertrend until we traded above the EUR 642 high, once we had, this would no longer be the case, making USD 620 the key fractal support. A move below EUR 620 after price had made a new high would take the technical into bearish territory. Fibonacci projection levels indicate we could trade as high as USD 666 within this phase of the cycle; however, due to the divergence we are cautious on upside breakouts above EUR 642.
- The futures traded to a high of EUR 661 before seeing bids fade. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 633 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Cautious bull
- The upside move to EUR 661 resulted in the daily divergence failing; however, on the intraday Elliott wave cycle, price remains divergent. The moving average on the RSI indicates momentum weakness, while upside breakouts above EUR 661 will create a negative divergence with the RSI. Price has been in a consolidation phase since the 19th Dec 25, with the futures closing but holding on the EUR 643 level on four occasions, we identify this level as a key support to follow. A close below EUR 643 will weaken the technical structure, warning the EUR 633 support could be tested and broken; if it is, then the probability of price trading to a new high will begin to decrease. Our Elliott wave analysis indicates we are on a wave 5, whilst we have a potential divergence ahead of us, meaning we are cautious on upside moves, as they could struggle to hold.