

## Turkish Scrap Feb 26



Support	Resistance	Current Price	Bull	Bear
S1	R1	375.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (73)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 364)
- Technically bullish in the last report, the MA on the RSI implied that momentum was supported, warning the USD 370 fractal high should be tested and broken. However, we noted that USD 368 was two standard deviations above the linear regression line, suggesting that price was starting to look overextended to the upside. Above USD 370 the futures would be in divergence on the 1, 2, and 4-hour timeframes; not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Elliott wave analysis did suggest that downside moves should be considered as countertrend, this was supported by the ADX at 34, as it indicated price was in a bullish trending environment. Key support was at USD 354; if broken, then the probability of the futures trading to a new high would start to decrease. Although we had momentum support, we were cautious on upside breakouts as the standard deviation line and multiple intraday divergences suggested that upside moves could struggle to hold, warning price is becoming vulnerable to a corrective move lower.
- The Jan futures have continued to trade higher resulting in the divergences highlighted failing. We have now rolled to the Feb 26 contract. Price is above all key moving averages supported buy the RSI above 50.
- Downside moves that hold at or above USD 365 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook—Bullish. The upside move to a new high has created a bullish Elliott wave extension alongside the divergence failure. Technically, downside moves should be considered as countertrend whilst above USD 365, below this level the depth of the pullback will be considered as deep, reducing the probability of price trading to a new high. The MA on the RSI implies momentum support alongside our wave analysis, suggesting caution on lower moves. Based on Fibonacci projections, the futures should look to target the USD 382 Fibonacci resistance in the near-term.

Source Bloomberg