

FIS Turkish Scrap 80:20 Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Turkish Scrap Feb 26



Synopsis - Intraday

- Price is above the 8-21 period EMAs
- RSI is above 50 (65)
- Stochastic is above 50
- Price is below the weekly pivot point (USD 376)
- Technical outlook last week: Cautious bull. The recent rally in the futures had encountered resistance near USD 280, which sat two standard deviations above the linear regression line. The ADX at 39 signals strong momentum, reinforced by the rising moving average on the RSI. However, corrective moves that trade below the USD 366 level would weaken the structure of the lower-timeframe Elliott wave cycle and warn that price may be transitioning into a higher-timeframe corrective phase. While downside moves should still be viewed as corrective rather than signaling a trend reversal, the broader trend remains bullish above USD 350 and neutral below this level. We have revised our outlook from bullish to cautious bull, as the rejection candle at linear regression resistance leaves price vulnerable to a technical throwback in the near term.
- The futures rejected the two standard deviation level resulting in price selling down to but currently holding above the Fibonacci support zone.
- Downside moves that hold at or above USD 366 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: corrective, not bearish
- The futures look to have entered a countertrend corrective Elliott wave 4 on a lower timeframe cycle. The ADX is moving lower but, at 32, continues to signal a trending environment, reinforcing the view that the current pullback remains countertrend in nature. Market buyers should act with caution on lower moves if the ADX starts to rise, as it will signal an increase in sell-side pressure, warning the USD 366 level could be tested. We identify this as a key support level, if broken, it will weaken the bullish structure and warn that upside moves could achieve new highs. From a technical perspective, the recent downside action appears to be a bullish throwback rather than a developing bearish move.

Source Bloomberg