

## LME Steel HRC FOB China Generic 2nd Weekly (Feb)



Support	Resistance	Current Price	Bull	Bear
S1 458	R1 473	465.5		Stochastic overbought
S2 456	R2 488			
S3 439	R3 507			

## Synopsis - Intraday

Source Bloomberg

- Price is between the 30—60 period EMA's
- RSI is at 50 (50)
- Stochastic is oversold
- Weekly Pivot level (USD 463)
- We noted in the previous report that the futures had sold to a low of USD 456.5 before finding light bid support. The MA on the RSI implied that momentum was weakening, whilst price was below the linear regression line (USD 474), meaning the USD 456 support remained vulnerable. Below this level the probability of the futures trading to a new high would start to decrease, suggesting the intraday bullish Elliott wave cycle had an increased chance of failing. Upside moves that close and held above the linear regression line would warn that resistance levels could come under pressure. Technically, we were still in bull territory, but price needed to hold above USD 456, otherwise we would become neutral.
- The futures sold to a low of USD 445.5, meaning price action has become neutral. We are between the EMA resistance band with the RSI neutral at 50.
- Upside moves that fail at or below USD 473 will leave the futures vulnerable to further test to the downside, above this level the technical will be back in bullish territory.
- Technical Outlook: Neutral.
- Price action and RSI remain neutral, although light bid support is emerging, resulting in the formation of a minor trend line. A close above USD 473 would reclaim bullish territory and signal that the USD 488.5 fractal high could be tested and potentially broken. Conversely, rejection below USD 473 would warn that trend support at USD 458 may come under pressure. A close below USD 458 would indicate increasing sell-side pressure, raising the risk that the futures move to new lows.