



North European Hot-Rolled Coil Steel

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



	Support	Resistance	Current Price	Bull	Bear
S1	677	R1	687	RSI above 50	Stochastic overbought
S2	674	R2	696		
S3	664	R3	705		

Synopsis - Intraday

Source Bloomberg

- Price is above the 30—60 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Weekly Pivot level (EUR 696)
- Technical outlook previously: Bullish but at weekly inflection point.
- We noted last week that the advance in the futures had momentum confirmation due to the prior divergence failing. This suggested that technical throwbacks may struggle to gain traction, provided price holds above the EUR 658 level. A sustained move below EUR 658 would represent a deeper retracement of the most recent bullish wave, reducing the likelihood of a push to new highs. From a bearish perspective, although price reached a high of EUR 688, the subsequent rejection has left the market unable to sustain a move above the weekly 200-period moving average at EUR 678. For upside continuation, any pullbacks need to hold above EUR 658 and be followed by a close back above EUR 678. Failure to achieve this would leave price increasingly exposed to downside risk.
- A daily close above the weekly 200-period MA at USD 678 resulted in price trading to a high of USD 705; however, the futures have failed to hold recent gains with price trading back below the weekly 200 MA (currently at USD 687), We remain above the EMA support band with the RSI above 50.
- Downside moves that hold at or above EUR 664 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Above EUR 677 resistance is vulnerable.
- The futures are just below the weekly 200-period MA at EUR 687. If price holds above the EUR 677 level, then momentum will have a positive reversal in play, as the RSI is moving lower faster than price, warning resistance could come under pressure. Countering this, a move below EUR 677 will result in bearish momentum confirmation, leaving the USD 664 support vulnerable. We identify USD 664 as a key level, throwbacks that hold at or above this level will signal that there is underlying support in the market, leaving the technical open for a lower timeframe bullish Elliott wave extension. Conversely, if broken, then the probability of price achieving new highs within this phase of the cycle will begin to decrease. The broader technical (longer-term Elliott wave cycle) remains bullish above EUR 618 and neutral below. The potential positive reversal means resistance is still vulnerable while above EUR 677; however, as daily close and hold above the weekly 200-period MA at EUR 687 is needed for upside continuation.

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