



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	R1	700	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 30—60 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Weekly Pivot level (EUR 690)
- Technical outlook previously: Above EUR 677 resistance is vulnerable.
- We noted last week that the futures were just below the weekly 200-period MA at EUR 687. If price held 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 would result in bearish momentum confirmation, leaving the USD 664 support vulnerable. We identified USD 664 as a key level, throwbacks that hold at or above this level will signal that there was 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 would begin to decrease. The broader technical (longer-term Elliott wave cycle) remained bullish above EUR 618 and neutral below. The potential positive reversal meant resistance was still vulnerable while above EUR 677; however, a daily close and hold above the weekly 200-period MA at EUR 687 was needed for upside continuation.
- The futures sold to a low of USD 680 before closing and holding the EUR 687 level. We are above all key moving averages supported by 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: Bullish-buyside pressure increasing
- The futures are holding above the weekly 200-period MA at EUR 687, warning the EUR 705 fractal high could be tested and broken. The caveat, above EUR 705 the futures will be divergent with the RSI, not a sell signal, it will warn that buyside pressure could slow down. If the RSI moves below 66.5 (regardless of a new high being printed), it will indicate that sell side pressure is increasing, warning the EUR 664 support could be tested and broken. This remains the key support on the technical; if broken, then the probability of the futures trading to a new high will begin to decrease.

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