



North European Hot-Rolled Coil Steel

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



Support	Resistance	Current Price	Bull	Bear
S1	R1	745	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 30—60 period EMA's
- RSI is above 50 (67)
- Stochastic is below 50
- Weekly Pivot level (EUR 728)
- Technical outlook previously: Bullish-buyside pressure increasing
- We noted previously that the futures were 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 would be divergent with the RSI, not a sell signal, it warned that buyside pressure could slow down. If the RSI moved below 66.5 (regardless of a new high being printed), it would indicate that sell side pressure was increasing, warning the EUR 664 support could be tested and broken. This remained the key support on the technical; if broken, then the probability of the futures trading to a new high would begin to decrease.
- The futures held above the weekly average resulting in price moving higher. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 662 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside move considered as countertrend
- The upside move in the futures has created a negative divergence with the RSI, while above USD 750 will create further divergences. Not a sell signal, the divergence is a warning that buyside momentum could slow down. However, the broader trend (Elliott wave cycle) remains bullish with downside moves considered as countertrend, making USD 634 the key longer-term support to follow. Key near-term support to follow is at USD 715, as a move below this level will break fractal support, signaling price has entered a corrective phase.

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