

# FIS Turkish Scrap 80:20 Technical Report

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

## Turkish Scrap May 26



Support	Resistance	Current Price	Bull	Bear
S1	400	R1	415	RSI above 50 Stochastic overbought
S2	394	R2	427	
S3	386	R3	437	

### Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Price is below the weekly pivot point (USD 413)
- Technical outlook previously: corrective, not bearish
- We noted on the last report that the futures look to have entered a countertrend corrective Elliott wave 4 on a lower timeframe cycle. The ADX was moving lower, but at 32 continued to signal a trending environment, reinforcing the view that the current pullback remained countertrend in nature. We highlighted that market buyers should act with caution on lower moves if the ADX starts to rise, as it would signal an increase in sell-side pressure, warning the USD 366 level could be tested. We identified this as a key support level, if broken, it would weaken the bullish structure and warn that upside moves could struggle to achieve new highs. From a technical perspective, the recent downside action appeared to be a bullish throwback rather than a developing bearish move.
- The futures sold to a low of USD 371 before seeing a strong move higher. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 386 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The futures have seen a bullish Elliott wave extension, meaning we remain in the higher timeframe wave 3 with downside moves considered as countertrend, making USD 386 the key support to follow. If broken, then the probability of the futures trading to a new high will begin to decrease. Although bullish, the new high means that the RSI is now in divergence with price, warning we could see a momentum slowdown, which will need to be monitored. For this reason, we are cautious on upside moves in the near-term.

Source Bloomberg