

FIS Turkish Scrap 80:20 Technical Report

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Turkish Scrap May 26



Support	Resistance	Current Price	Bull	Bear
S1	R1	409.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 406)
- Technical outlook previously: Downside moves considered as countertrend
- We noted on the last report that the futures had seen a bullish Elliott wave extension, meaning we remained in the higher timeframe wave 3, this meant that 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 would begin to decrease. Although bullish, the new high meant that the RSI was 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.
- The futures sold to a low of USD 403. before seeing light bid support. 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 downside move has resulted in the RSI breaking support; however, price has not. This is known as a positive reversal pattern and warns that resistance levels remain vulnerable while above the USD 390 level. The RSI moving average implies that momentum remains weak, meaning focus should be on the USD 413 resistance. Pullbacks that reject the USD 413 level will signal a more complex correction, warning support levels could come under further pressure. The positive reversal pattern warns we could have another test to the upside in the near-term; if we do, it should be considered a lower timeframe bullish Elliott wave extension, meaning downside moves should still be considered as countertrend.

Source Bloomberg