

# FIS Turkish Scrap 80:20 Technical Report

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## Turkish Scrap June 26



Support	Resistance	Current Price	Bull	Bear
S1	R1	399.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is below the 50 period SMA
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 416)
- Technical outlook previously: Downside moves considered as countertrend
- We noted previously that the downside move had resulted in the RSI breaking support; however, price had not. This was known as a positive reversal pattern and warned that resistance levels remained vulnerable while above the USD 390 level. The RSI moving average implied that momentum remained weak, meaning focus should be on the USD 413 resistance. Pullbacks that reject the USD 413 level would signal a more complex correction, warning support levels could come under further pressure. The positive reversal pattern warned that we could have another test to the upside in the near-term; if we did, it should be considered a lower timeframe bullish Elliott wave extension, meaning downside moves should still be considered as countertrend.
- The futures traded to a high of USD 425 on the positive reversal pattern, before entering a corrective phase. Price is below the 50-period SMA with the RSI below 50.
- Downside moves that hold at or above USD 364 will support a bull argument, below this level the technical will have a neutral bias. Note: Fibonacci support levels have been revised lower in line with the higher timeframe cycle.
- Technical outlook: broader bullish trend, caution on higher moves in near-term
- The futures have sold lower on a negative divergence with the RSI due to the lower timeframe Elliott wave cycle completing. However, the broader trend (higher timeframe cycle) remains bullish above USD 364 and neutral below. Focus is now on the corrective phase, which in theory should consist of 3-waves, or multiples of 3-waves. Based on the single wave lower (wave A), the next wave higher looks like it will be a wave B (countertrend) that should remain below the USD 413 level, meaning we are cautious on upside moves. However, we are seeing a potential bullish Harami pattern forming, warning we could potentially be readying for a move into the wave B.

Source Bloomberg