

FIS U.S. HRC Technical Report

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US HRC Aug 26



Support	Resistance	Current Price	Bull	Bear
S1	1,147	R1	1,213	RSI above 50
S2	1,112	R2	1,247	
S3	1,071	R3	1,295	
		1,193		

Synopsis - Intraday

Source Bloomberg

- Price is above the 50- period MA
- RSI is above 50 (72)
- Stochastic is oversold
- Technical outlook previously: Momentum support
- We noted previously that the futures were in a corrective phase but holding above a bullish sloping 50—period SMA. The RSI was above 50 but had moved lower alongside price, meaning we have positive velocity and negative acceleration. If the RSI turned higher, the positive velocity and acceleration would signal buyside pressure is on the increase. The emergence of a positive reversal pattern (RSI had broken support, price had not) warned that there was an underlying support in the market, meaning the USD 1,134 fractal high remained vulnerable at that point. Market sellers should be cautious on moves that tested the USD 1,085 level, as this was the high of the previous consolidation phase, meaning it was likely to attract buyside support. The momentum support implied caution on downside moves in the near-term
- The Future's sold to a low of USD 1,093 meaning the USD 1,085 support held, resulting in price trading to new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 1,112 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Negative divergence
- The futures have gapped higher on the roll into August, resulting in a negative divergence forming on the RSI and the stochastic. Fibonacci projection levels indicate that we could trade as high as USD 1,247 within this phase of the cycle; however, the divergence needs to be monitored. It is important to remember, the divergence is a condition, not a sell signal, confirmation will need to come from bearish price action that confirms sentiment is weakening. Technically, we are a cautious bull.

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