FIS

Turkish Scrap 80:20 Technical Report

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

Turkish Scrap Aug 26

Support		Resistance		Current Price	Bull	Bear
S1	371	R1	392	388	RSI above 50	
S2	364	R2	396			
S3	354	R3	406			

Synopsis - Intraday

Source Bloomberg

- Price is below the 50 period SMA
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the weekly pivot point (USD 380)
- Technical outlook previously: caution on downside moves
- We noted on the last report that we had a 3-wave pattern lower labelled A-B-C; the C wave consisted of 5-waves with price finding light bid support due to a positive RSI divergence. Technically we are cautious on lower moves, as the divergence alongside the A-B-C pattern warned that the corrective move could soon exhaust. Market buyers need to see a close and hold above the 200-period MA at USD 377; if we did, it will signal that buyside pressure is starting to increase.
- The futures moved higher on the 5-wave pattern and positive divergence. Price is above the 200-period MA at USD 381 but below the 50 period MA at USD 389, the RSI is now above 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. Likewise, upside moves that fail at or below the USD 406 level would warn that the corrective phase has the potential to become more complex.
- Technical outlook: Buyside pressure increasing
- The close above the 200-period MA at USD 381 is signaling that buyside pressure is increasing, the caveat is we need to hold above the average. A close and hold above the 50-period MA at USD 389, that is followed bay a breach in the USD 392 Fibonacci resistance will further support a buyers argument. We continue to identify USD 406 as a key longer-term resistance, as upside moves that fail at or below this level will leave the technical vulnerable to a more complex corrective phase. The RSI has found support at 40, we are now testing the 60 level, while price is approaching the 50-period MA. Market buyers should take a cautious approach if the RSI rejects 60, as the momentum weakness would warn that the 200-period MA could come back under pressure. Buyside pressure is increasing due to the close above the 200-period MA, the RSI has a rising MA, alongside positive velocity and positive acceleration. We now need to see the RSI reclaim the 60 level.